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FBIS-EAS-92-123 CONTENTS *25 June 1992*

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NORTHEAST ASIA

Japan

Miyazawa To Meet Bush 1 Jul in Washington *[KYODO]* 1
MITI Welcomes U.S. Minivan Dumping Decision *[KYODO]* 1
    Car Makers Praise Ruling *[KYODO]* 1
Miyazawa Urges SDF To Fulfill Peacekeeping Duty *[KYODO]* 1
SDF Dispatch to Cambodia 'Difficult at Present' *[KYODO]* 2
Cambodia's Son Sann Voices Hopes for Peacekeepers *[KYODO]* 2
Miyazawa Studies Asian Concerns Prior to Summit *[KYODO]* 3
Matsunaga To Replace Watanabe at Munich Summit *[KYODO]* 3
DPRK Missile Research Worries Defense Chief *[KYODO]* 3
MITI's Watanabe, ROK Minister Discuss Trade *[KYODO]* 3
Envoy on Peacekeeping Forces, Ties With ROK *[Seoul CHOSON ILBO 21 Jun]* 3
Miyazawa Assures Asa of Support for Thai Economy *[Bangkok THE NATION 23 Jun]* 5
PRC May Ask Compensation for Comfort Women *[KYODO]* 5
Idemitsu To Conduct Oil Exploration Near SRV *[KYODO]* 6
Electronics Group Plans To Help EC Firms *[KYODO]* 6
Government To Freeze Rice Purchase Prices *[KYODO]* 6
    Council Asked To Approve Freeze *[KYODO]* 7
Council's Report on Unfair Trade in Great Demand *[KYODO]* 7
LDP Decides on 7 Trillion Yen Spending Plan *[KYODO]* 8
Ministry Skeptical About Supplementary Budget *[KYODO]* 8
Research Institute Predicts 2.7% GNP Growth *[KYODO]* 9
Ministers Negotiate Budget Requests for Next Year *[Tokyo TV]* 9
BOJ Chief Sees 'Prospects' in Economic Slowdown *[KYODO]* 10
LDP To Set Up 10 Billion Yen Environment Fund *[KYODO]* 10
Upper House Member Ishihara Resigns From LDP *[KYODO]* 11
SDP Backers Reject Election Candidate Morita *[KYODO]* 11
Finance Ministry To Shuffle Top-Level Personnel *[KYODO]* 11

North Korea

History of Ties With U.S. Since War Viewed *[Pyongyang Radio]* 12
U.S. Intention To Remain in South Viewed *[KCNA]* 14
Hanminjon Chief in Cuba Urges 2d June Uprising *[KCNA]* 14

South Korea

Cabinet Reshuffled; New Deputy Premier, Ministers *[Seoul Radio]* 14
North's Yi Sam-no Warns of 'Military Action' *[YONHAP]* 15
    Remarks on U.S. Forces 'Misinterpreted' *[YONHAP]* 15
Inter-Korean Inspection Discussed With U.S. *[YONHAP]* 15
North 'Will Stop' Yongbyon Lab Construction *[KYONGHYANG SINMUN 25 Jun]* 16
Scientist Views Nuclear Development in North *[WOLGAN CHOSON Apr]* 16
Chong Won-sik Proposes Seminar on Japan to North *[Seoul Radio]* 21
Media Comment on Recent Red Cross Contact 22
    Sense of 'Dismay', 'Frustration' *[THE KOREA HERALD 24 Jun]* 22
    North Threat 'a Surprise' *[THE KOREA TIMES 24 Jun]* 22
Opposition Parties Oppose Election Postponement *[THE KOREA TIMES 25 Jun]* 23
Kim Tae-chung, Chong Chu-yong Agree To Cooperate *[YONHAP]* 23

Kim Tae-chung's Economic Plans Analyzed *[HANGUK ILBO 21 Jun]* 23
Kim Yong-sam's Recent Election Activities Viewed 24
  Urges North To Accept Inspections *[YONHAP]* 24
  Seeks 'To Expand' Military Ties *[THE KOREA TIMES 25 Jun]* 24
  Economic Policies Analyzed *[HANGUK ILBO 21 Jun]* 25
Kim Yong-sam Slated as Next Party President *[YONHAP]* 25
* Interview With Presidential Candidate Chong *[CHUGAN MAEGYONG 17 May]* 26
  Economic Policies Viewed *[HANGUK ILBO 21 Jun]* 30
Party Local Election Views Depend on Confidence *[THE KOREA TIMES 24 Jun]* 31
State-Funded Institutes Develop Policy for DLP *[TONG-A ILBO 17 Jun]* 31

SOUTHEAST ASIA

Burma

Ministry Spokesman Rejects U.S. Court Ruling *[Rangoon Radio]* 33
Parallel Government Leader Sein Win Interviewed *[London International]* 33

Cambodia

UNTAC Told To Stop Criticizing Khmer Rouge *[AFP]* 34
Khmer Rouge Not Playing UNTAC Messages on Radio *[AFP]* 34
Editorial Lauds Results of Tokyo Conference *[Phnom Penh Radio]* 35
Preserving Army's 'Fine Character' Stressed *[Phnom Penh Radio]* 35
Snipers Fire at UN Helicopter 24 Jun *[AFP]* 36
Telephone Link Pact Signed With U.S. Firm *[SPK]* 37

Indonesia

2d Part of Military Contingent Leaves for Cambodia *[Jakarta Radio]* 37
Jordan's King Husayn Writes to Suharto on Ties *[Amman Radio]* 37
Brunei, Singapore Support Satellite Plan *[THE JAKARTA POST 16 Jun]* 37
PPP Accepts Results Despite Alleged Violations *[THE JAKARTA POST 18 Jun]* 37

Laos

Antinarcotics Seminar Held With U.S. Officials *[KPL]* 38
Australian Emergency Rice Aid Arrives *[KPL]* 38
Minister Attends Bangkok Communications Meeting *[KPL]* 38
Acts of 'Bad Elements' in Border Area Exposed *[Vientiane Radio]* 39
  'Criminal Acts' Assailed *[Vientiane Radio]* 39
Shortfall in Foreign Investment Examined *[PASASON 5 Jun]* 40

Philippines

Senators Visit PRC; Hold Talks With Legislators *[THE CHRONICLE 25 Jun]* 40
  Economic Ties with Taiwan Tolerated *[Manila Radio]* 41
Ramos Victory Reduces Country's Risk Rating *[BUSINESS WORLD 24 Jun]* 41
Ramos Possible Cabinet Composition Revealed *[Quezon City Radio]* 42
Ramos Administration To Change Proposed Budget *[Quezon City Radio]* 42
Ramos To Push for Creation of Department of Energy *[Quezon City Radio]* 42
Muslim Rebels Destabilization Threat Dismissed *[Quezon City Radio]* 42
  Ramos Belittles Misuari Threat *[Manila Radio]* 42
PNP Chief Proposes Amnesty for Extremist Forces *[THE CHRONICLE 24 Jun]* 43
  Rebels Reject Amnesty Offer *[Manila Radio]* 43
  NDF Denounces Ramos, Amnesty *[AFP]* 43
Bulacan Officials Warned of Assassination Plots *[PHILIPPINE DAILY INQUIRER 24 Jun]* 44
Sugar Production Hits Record Level *[BUSINESS WORLD 25 Jun]* 44

Thailand

Probe Details Excessive Force in Crackdown *[THE NATION 25 Jun]* 45
  House Report Due 25 Jun *[Bangkok Radio]* 46
  Official Pledges To Abide by Results *[THE NATION 25 Jun]* 46
Anan Urges Peaceful Resistance to Coup Attempts *[THE NATION 25 Jun]* 47
Chamlong Says 700 Missing May Be Dead *[AFP]* 48
Investigation of Former Communications Head Noted *[THE NATION 24 Jun]* 49
Instilling 'New Culture' in Military Urged *[THE NATION 19 Jun]* 49
Agencies Lower Economic Growth Estimates *[BANGKOK POST 18 Jun]* 50
Asa Says KR Sanctions 'Likely To Fail' *[TNA]* 51
Border Security Discussed With Lao Officials *[Bangkok Radio]* 52
SRV Foreign Minister To Visit To Improve Ties *[THE NATION 25 Jun]* 52
Three Products Dropped From U.S. GSP List *[TNA]* 52

Vietnam

U.S. Paper Cited on PRC-U.S. Oil Accord *[Hanoi Radio]* 52
Article on Sovereignty of Spratlys Archipelago *[Hanoi Radio]* 53
Oil, Gas Agreement Signed With Japan *[VNA]* 53
Deputy Foreign Minister Meets With Sihanouk *[VNA]* 54
List of Assembly Election Candidates *[Hanoi Radio]* 54
Nong Duc Manh Attends Ethnic Conference *[Hanoi TV]* 56
National Rice Cultivation, Crop Yields Reported *[Hanoi Radio]* 56
  Bumper Crop Throughout Country *[Hanoi Radio]* 57
  Northern Provinces Also Good *[VNA]* 57

AUSTRALASIA

New Zealand

Foreign Minister Urges Revival of Military Pacts *[AFP]* 58

Papua New Guinea

Australian-Supplied Helicopters Used as Gunships *[Melbourne International]* 58
  Minister: Gun Mountings 'Temporary' *[Melbourne International]* 59

Japan

Miyazawa To Meet Bush 1 Jul in Washington

OW2506040792 Tokyo KYODO in English 0356 GMT 25 Jun 92

[Text] Tokyo, June 25 (KYODO)—Prime Minister Kiichi Miyazawa will meet with U.S. President George Bush at the White House on July 1 before going with him to Camp David, Maryland for a working dinner, the government announced Thursday.

The announcement came shortly after a senior U.S. official said in Washington that the summit agenda will include Japan's territorial dispute with Russia.

A Foreign Ministry official said the session at the White House will last about one hour and the Camp David talks will last several hours.

Miyazawa will leave Tuesday for the U.S. as part of a trip that will also take him to London and then to Munich, the site of the annual economic summit of the world's seven major economic powers from July 6 to 8.

MITI Welcomes U.S. Minivan Dumping Decision

OW2506071792 Tokyo KYODO in English 0608 GMT 25 Jun 92

[Text] Tokyo, June 25 KYODO—A senior Ministry of International Trade and Industry (MITI) official Thursday welcomed a U.S. ruling that Japanese minivans allegedly dumped in the U.S. market did not harm the auto industry there.

MITI Vice Minister Yuji Tanahashi said at a press conference, "we believe it is a sensible judgment."

The U.S. International Trade Commission (ITC) ruled Wednesday that minivans exported by Toyota Motor Corp. and Mazda Motor Corp. are not injuring American producers.

Considering what the ministry has heard from the automakers, the ITC's "objective and fair decision" was only to be expected, Tanahashi said.

Hiroyuki Ishige, tariff division director of MITI's International Trade Policy Bureau, said he will study the reason for the ruling as soon as he gets a detailed report, to find out whether U.S. firms make similar minivans and whether imports from Japan have increased.

Car Makers Praise Ruling

OW2506023892 Tokyo KYODO in English 0210 GMT 25 Jun 92

[Text] Tokyo, June 25 (KYODO)—Japanese automakers welcomed Thursday a U.S. trade panel ruling that minivans they allegedly dumped in the U.S. market are not injuring American producers.

"We are very pleased that our arguments got full support. We want tc express our gratitude at the sensible judgment," an official of Toyota Motor Corp. said.

"We are satisfied with the decision, which we regard as quite fair," a Mazda Motor Corp. official said.

The U.S. International Trade Commission (ITC) ruled Wednesday that Japanese minivans have caused little harm to the U.S. auto industry, though it failed to overturn a Commerce Department decision that Japanese minivan makers were selling their products in the U.S. at unfairly low prices.

The finding took some of the heat from a simmering bilateral dispute over automobile trade.

Frustration has built up in the U.S. Government and industry over the growing presence of Japanese cars as the U.S. trade gap with Japan stays wide despite a series of bilateral trade talks.

Autos account for about three-quarters of the bilateral trade imbalance, which is projected to top 100 billion U.S. dollars this year.

The ITC decision came as a pleasant surprise to the Japanese car industry, where few had expected a favorable ruling.

But worries linger among Japanese automakers over similar dumping petitions from American makers over other types of cars.

"We are worried that the U.S. industry may file other complaints, especially about our luxury cars," said Yutaka Kume, chairman of Nissan Motor Co.

Miyazawa Urges SDF To Fulfill Peacekeeping Duty

OW2506013192 Tokyo KYODO in English 0124 GMT 25 Jun 92

[Text] Tokyo, June 25 (KYODO)—Prime Minister Kiichi Miyazawa urged the Self-Defense Forces (SDF) Thursday to fulfill its international duty and carry out United Nations peacekeeping and international disaster relief operations.

Miyazawa made the call in a speech at a meeting of senior Defense Agency officials and top SDF officers, who gathered for a six-hour meeting.

Miyazawa said, "I do hope all SDF members will perform international duty by understanding U.N. peacekeeping cooperation and international emergency disaster relief legislation."

Defense Agency chief Sohei Miyashita, who also spoke at the gathering, said SDF personnel should make every effort to make the Japanese people understand the roles they will play in U.N. peacekeeping operations.

Miyashita urged the Defense Agency to "advertize the activities of SDF personnel at a time when the SDF will begin its new international roles."

Miyashita also said the agency should endeavor to recruit first-class personnel, who he said would be able to contribute to the SDF.

On June 15, the Diet enacted the U.N. Peacekeeping Cooperation Law, which allows SDF personnel to join the U.N. peacekeeping missions. The legislature at the same time passed a separate bill that allows SDF personnel to join overseas disaster relief missions.

The Diet passed the bills with the backing of Miyazawa's ruling Liberal Democratic Party (LDP) and two centrist opposition parties, Komeito and the Democratic Socialist Party (DSP).

Miyazawa said the actions and the spirit of the U.N. peacekeeping missions do not run counter to the war-renouncing constitution, which he said embodies the idea of pursuing lasting peace in the world.

Miyazawa, turning to Japan-U.S. relations, renewed calls for both countries to cooperate to build a new international peace and order in the post Cold War era. "We share the same values (based on democracy and a market-oriented economy)," he said.

The prime minister, who is scheduled to meet President George Bush in Washington next week, said Japan regards the Japan-U.S. security treaty as crucial to maintaining peace and prosperity in the Asia-Pacific region.

Miyazawa referred to Japan's defense policies and said the government will maintain minimum defense capability to exclusively defend Japan even after the end of the Cold War and the December 1991 collapse of the Soviet Union.

But Miyazawa instructed Defense Agency officials to redesign a mid-term, five-year defense program which began in April 1990 and readjust it to the post Cold War era.

Miyazawa said he wants the Defense Agency to decide what levels of defense Japan will need to defend itself in its new international relations following the collapse of the Soviet Union.

SDF Dispatch to Cambodia 'Difficult at Present'

OW2406145192 Tokyo KYODO in English 1315 GMT 24 Jun 92

[Text] Shizuoka, June 24 KYODO—Social Democratic Party (SDP) Chairman Makoto Tanabe said Wednesday the dispatch of Self-Defense Forces (SDF) to Cambodia to join the United Nations peacekeeping operations is difficult at present.

Despite the enactment last week of the U.N. peacekeeping cooperation law, the SDF dispatch to Cambodia is difficult now because the Khmer Rouge has refused to disarm itself, Tanabe said.

The Japanese Diet enacted the law on June 15, authorizing the dispatch of Japanese troops abroad for the first time since World War II, excepting the dispatch of a minesweeping fleet to the Persian Gulf last year.

The SDP, Japan's No. 1 opposition party, strongly opposed the legislation claiming it violates the Constitution which bans the state of Japan from using force as a means of settling international disputes. SDP Diet members adopted filibuster tactics during the Diet session to delay the passage of the bill through both houses of the Diet.

Tanabe said if the SDF enters Cambodia during a military conflict, it would be hard for Japan alone to withdraw its troops when other countries are trying to settle the dispute.

The peacekeeping cooperation law, which will be reviewed in three years, bans the forces from operations that might involve military action. It allows troops to carry light arms for use in self-defense.

Tanabe, criticizing the government of Prime Minister Kiichi Miyazawa, said his administration does not have any peace strategy or diplomatic guidelines for the future.

Cambodia's Son Sann Voices Hopes for Peacekeepers

OW2406060692 Tokyo KYODO in English 0526 GMT 24 Jun 92

[Text] Tokyo, June 24 KYODO—Cambodian noncommunist faction leader Son Sann expressed high expectations Wednesday of Japan's peacekeeping efforts in Cambodia, officials of the ruling Liberal Democratic Party (LDP) said.

Son Sann, leader of the Khmer People's National Liberation Front, told the chairman of the LDP's Policy Affairs Research Council, Yoshiro Mori, that he hopes for the early participation of Japan in such tasks as helping with transportation, reconstruction of the war-ravaged country and its economy, and medical supplies, though not in settling problems by force, the officials said.

Mori, referring to the enactment of a law authorizing the dispatch of Japanese troops overseas to join U.N. peacekeeping operations, said the decision marked a great turning point in the postwar era.

The government promulgated the law last week after the Diet approved it.

In response to Son Sann's call on Japan to provide support for his newly formed political party, Mori said he will confer with the party leadership, the officials said.

Son Sann formed the political group to prepare for general elections slated for next spring. He and other leaders of the four factions that fought a 13-year war in Cambodia have been in Tokyo for a conference held Monday on reconstruction of the country.

Miyazawa Studies Asian Concerns Prior to Summit

OW2406132392 Tokyo KYODO in English 1228 GMT 24 Jun 92

[Text] Tokyo, June 24 KYODO—In an effort to reflect the viewpoint of Asian nations at the Munich Summit of seven major industrial countries, Prime Minister Kiichi Miyazawa on Wednesday met Japanese ambassadors to China, South Korea and Indonesia, government officials said.

Michihiko Kunihiro, ambassador to Indonesia, told Miyazawa the Association of Southeast Asian Nations (ASEAN) is strongly expecting the Uruguay Round of multilateral trade talks to be successful, the officials said.

Kenichi Yanagi, ambassador to South Korea, said Seoul is hoping the July 6-8 summit will reflect the importance of promoting dialogue between South and North Korea and acceptance by Pyongyang of international nuclear inspections, they said.

The ambassadors also told Miyazawa the Asian nations are interested in problems between developed and developing countries, such as economic cooperation and environmental issues.

Matsunaga To Replace Watanabe at Munich Summit

OW2506064992 Tokyo KYODO in English 0559 GMT 25 Jun 92

[Text] Tokyo, June 25 (KYODO)—The government said Thursday it will send Foreign Ministry adviser Nobuo Matsunaga to the foreign ministers' meeting at the Munich summit of seven industrialized nations.

Matsunaga, former Japanese ambassador to the United States, will attend the foreign ministers' meeting in place of hospitalized Foreign Minister Michio Watanabe, government officials said.

The government will formally decide the matter at Friday's cabinet meeting, the officials said.

Watanabe was hospitalized on May 31, underwent gallstone surgery on June 9, and is expected to remain in the hospital for about a month.

Prime Minister Kiichi Miyazawa has been concurrently acting as foreign minister.

Matsunaga will also take part in the summit meeting of the Conference on Security and Cooperation in Europe (CSCE), which is to be held on July 9 in Helsinki, the officials said.

DPRK Missile Research Worries Defense Chief

OW2506040492 Tokyo KYODO in English 0354 GMT 25 Jun 92

[Text] Tokyo, June 25 (KYODO)—Japan's defense chief expressed concern Thursday about North Korea's reported research on improved long-range Scud missiles that would have the capability of reaching western Japan.

Speaking to a meeting of Self-Defense Forces senior personnel, Defense Agency Director General Sohei Miyashita said, "On the Korean peninsula, there exists an element of instability which we should fear, such as the construction of nuclear-related facilities and research in the development of longer range land-land missiles."

It was the first time for Miyashita to make public reference to North Korea's long range missiles.

According to the agency, North Korea has made improvements on the Scud missile and research is continuing on a missile called "NODONG ILHO" which will have a range of 1,000 kilometers, making it capable of hitting targets in western Japan.

MITI's Watanabe, ROK Minister Discuss Trade

OW2406102992 Tokyo KYODO in English 1014 GMT 24 Jun 92

[Text] Tokyo, June 24 KYODO—South Korean Trade and Industry Minister Han Pong-su expressed hope Wednesday that his country and Japan will finalize by the weekend an "action plan" to balance bilateral trade, Ministry of International Trade and Industry (MITI) officials said.

At Wednesday's first official bilateral meeting with MITI Minister Kozo Watanabe, Han referred to the action plan which Prime Minister Kiichi Miyazawa promised during his visit to Seoul in January, the officials said.

They said the two sides will hold a meeting in Seoul from Friday afternoon through Saturday morning to finalize the plan.

Han also reiterated Seoul's call for Japanese cooperation in setting up a 200 million dollar industrial and science technology foundation to expedite technology transfers from Japan to South Korea.

Japan has not been very positive toward the idea, they said.

The ministers exchanged opinions on bilateral issues but did not go into details, they said.

Envoy on Peacekeeping Forces, Ties With ROK

SK2406041492 Seoul CHOSON ILBO in Korean 21 Jun 92 p 3

[Interview with Japanese Ambassador to Thailand Hisahiko Okazaki by reporter Kim Yong-su at the Japanese Embassy in Bangkok on 20 June: "Japan Will Weigh Sending Troops to the Korean Peninsula if a War Breaks Out There"]

[Excerpts] Hisahiko Okazaki, 62-year-old Japanese ambassador to Thailand, can be said to be the frontline commander for Japanese policy toward Southeast Asia. He is also known as a strategist among Japan's diplomatic policymakers. Okazaki, author of several books on intelligence and strategic affairs, including *What is Strategic Thinking?*, is considered to be paving the way for sending the Japanese Self-Defense Forces to Cambodia and is charting the course for Japanese businesses to make inroads into northeast Asia. The interview with Ambassador Okazaki on 20 June at his ambassadorial residence in Bangkok lasted for one and a half hours.

Ambassador Okazaki said Japan should reinforce the capabilities of its Self-Defense Forces in order to balance Russia's military threat. If a war breaks out on the Korean peninsula, Japan should seriously consider sending Japanese armed forces over there at the request of the Korean Government.

[Hisahiko Okazaki] I am glad to meet with a CHOSON ILBO reporter. When I was serving in the Japanese Embassy in Seoul in 1973, the late Sonu Hwi, former CHOSON ILBO editor-in-chief, and I were very good friends. He was my mentor on Korean affairs.

[Kim Yong-su] In defiance of the opposition parties, the Japanese Diet recently passed the peacekeeping operations [PKO] bill. Some people have voiced their concern that Japan's national strategy is reverting to imperialism and militarism or that Japan's peace constitution will collapse. Does the passage of the PKO bill mean the advent of a new national strategy in Japan? [passage omitted]

[Okazaki] According to the PKO bill, the Japanese Self-Defense Forces are not supposed to take part in any kind of combat. However, when unavoidable circumstances force them to do just that, it does not violate the pacifist Constitution. In essence, armed forces are used for the purpose of obtaining territories or ensuring political interests and economic concessions.

However, participating in peace activities as a member of the United Nations is different. Participants in combat or war have different purposes. For example, when Japan invaded Korea toward the end of the 16th century, the Ming Dynasty helped Korea by sending troops. When the war was over, the Ming Dynasty pulled its troops out of Korea, without claiming a right to control Korea.

In the same context, neither passage of the PKO bill nor sending Japanese troops to Cambodia is aimed at any kind of political and economic interests. [passage omitted]

[Kim] North Korea's Kim Il-song is still alive, and he has not abandoned his wild ambition to reunify with the South by communizing it. If another war breaks out over the Korean peninsula, do you think Japanese troops can enter the Korean peninsula under the UN flag?

[Okazaki] This is a very important question. The United States will help Korea and will no doubt ask Japan to cooperate. The United States, while saying that the cold war is over, will ask: Why should only United States shed blood while Japan hides? In fact, with the end of the cold war, U.S. interest in Korea has begun dwindling rapidly.

However, the Korean question is becoming increasingly important to Japan. Thus, if war breaks out in Korea and if the Korean and U.S. Governments ask Japan for military assistance, Japan will face a very serious problem. First, we have to obtain consent from the people and give serious thought to possibly amending the Constitution, even if this disappoints the United States. If and when our country faces such a situation, Japan should make a decision, remembering that our fate depends upon it.

[Kim] Korea-Japan relations have begun deteriorating recently. The Korean people's sentiment about Japan shows signs of worsening due to the issues of the comfort girls corps and the distortion of historical facts. The Japanese are also complaining: Why do the Korean people always dwell on the past?

[Okazaki] Twenty years ago, in 1973, I wrote a book intended to help the Japanese people understand Korea. Since then I have heard that relations between Korea and Japan have deteriorated.

Korea has made stunning economic growth since the 1970's and has acquired self-confidence. Now, however, Korea is in economic trouble. Of course, my view may be incorrect, but it seems a sense of frustration has begun to spread. I can see that the Korean people's sentiment toward Japan burns fiercely even though 50 years have passed since the end of World War II.

I believe that Korea should devote itself to a harder problem than Japan: reunification. At the same time, Korea should reorganize its economic policy on a national scale in order to make a fresh start. It should regain its self-confidence. This done, problems between Korea and Japan will go smoothly. After the 1964 Tokyo Olympics, Japan suffered serious economic stagnation.

Korea is expected to go through the same kind of experience after hosting the Olympics. Fortunately for Japan, the Vietnam war came along. The United States suddenly opened its market wide to Japan and bought anything we made. When the special procurement boom created by the Vietnam war came to a halt, Japan was plunged into another period of frustration.

We invested enormous amounts of money in modernizing technology. As a result, we were able to move ahead of many other advanced countries. Was it not true that Japanese technology backed the United States and Europe in the 1970's? I believe that economically Korea will go through stormy changes over the next few years. Korea should make a fresh start.

[Kim] Japan is negotiating the establishment of diplomatic relations with North Korea and is about to recognize the existence of two governments on the Korean peninsula. A large number of Korean people believe that Japan is against reunification of the Korean peninsula.

[Okazaki] The Japanese people are not accustomed to such a strategy-oriented mentality. For example, during the period of the Three Kingdoms on the Korean peninsula, Japan made the mistake of allying itself with Paekche, one of the three kingdoms that was falling, and of standing up to Silla and Tang Dynasty. It also repeated the mistake of allying with Germany, the continental power, instead of joining forces with maritime countries such as the United States and the United Kingdom during World War II. Japan must maintain its alliance with the United States. Although the cold war is over, Japan should move hand in hand with the United States. This strategy should not change.

If and when South Korea and North Korea agree to reunify, the United States, China, Russia, and Japan can block it. [passage omitted]

[Kim] How do you view relations between Korea and China?

[Okazaki] Historically, when Korea and China were united, it always led to success. In light of their historic and geographic relations, Korea and China have no choice but to cooperate with each other. There were, of course, exceptions. During the 19th century, Korea allied itself with Ching Dynasty, and it was a mistake. Korea should have made itself a partner with the United States. If and when the Korean peninsula is reunified, Korea should formulate a new national strategy, along with its strategy toward China, Russia, and Japan.

[Kim] What are your plans for the future, Mr. Ambassador?

[Okazaki] I am to return to Japan in a week, completing my tour as ambassador to Thailand. I say jokingly that I am going to become a "ronin," a jobless samurai. I plan to visit Korea after the presidential elections at the end of the year.

Miyazawa Assures Asa of Support for Thai Economy

BK2306031192 Bangkok THE NATION in English 23 Jun 92 p A4

[Text] Japanese Prime Minister Kiichi Miyazawa yesterday gave his personal assurance to Foreign Minister Asa Sarasin that Japan would help support Thailand's efforts to recover from the economic damage brought about by the bloodshed last month.

Miyazawa made the pledge during a brief meeting with Asa at Takanawa Prince Hotel, the venue of the conference on the reconstruction of Cambodia. The minister also handed a letter from Prime Minister Anan Panyarachun to Miyazawa.

Asa, who was making his first overseas trip after returning as foreign minister, quickly reassured Miyazawa that Thailand is taking specific measures to bring back democracy and business confidence in Thailand. He said Parliament will be dissolved next week and a new election scheduled for September. "By that time, we will have a new government," he said. "Thailand is going through a difficult time. Thailand appeals for your country's support," Asa said.

"Certainly. Japan will help Thailand and its government," the Japanese prime minister responded.

Miyazawa said he would reply to Anan's letter as soon as possible. "It is nice for him," he said. "He was called to serve the country again. The Thai people like him," Miyazawa said, referring to Anan's recent reappointment as Thailand's prime minister.

The Japanese prime minister said he also knew that because of the appointment, Anan had had to cancel his planned trips to see the Wimbledon tennis competition in London and the Summer Olympics in Barcelona.

In the two-page letter, Anan expressed gratitude to Japan's assistance in approving an aid package to Thailand that included U.S.$150 million from the ASEAN-Japan Development Fund and a U.S.$700 million loan. Anan said he would try his utmost to restore faith and confidence in Thailand, both domestically and internationally.

As part of the government's effort to regain foreign investor's confidence and the return of tourists, especially the Japanese, Asa is scheduled to spend all day today trying to persuade Japanese business leaders to return to Thailand. He will meet with top executives of leading Japanese travel agencies, including a private meeting with Kaishi Hiraiwa, chairman of Keidanren, and Yohei Mimura, chairman of Keidanren's Japan-Thailand Trade and Economic Committee.

PRC May Ask Compensation for Comfort Women

OW2406121492 Tokyo KYODO in English 1151 GMT 24 Jun 92

[Text] Beijing, June 24 KYODO—One of the Chinese Foreign Ministry's leading officials on Japan hinted Wednesday that Beijing may look for Tokyo to pay some form of compensation to Chinese women forced to provide sex to Japanese soldiers during World War II.

Wu Dawei, an official in the ministry's Asian Affairs Bureau, told KYODO NEWS SERVICE he hopes the Japanese Government will handle the question of Chinese "comfort women," as the Japanese called them, "with the same standard it treats the comfort women of Korea and the Philippines."

It is the first time an official of the Chinese Government has given an indication it hopes for compensation for Chinese comfort women.

North Korea, South Korea, Taiwan and others under Japanese imperial control during the war have demanded compensation for the women.

There is no exact data available to indicate how many comfort women survive in those countries but diplomatic sources say China has the most.

Wu said Wednesday he is looking forward to learning later this month the results of a Japanese Government investigation on comfort women.

"We will discuss this at a suitable time with the Japanese Government. We hope to have a penetrating discussion on how to make the best of this problem."

He termed the problem "delicate" but said he hopes it would not have a negative [words indistinct].

In Tokyo earlier this week, Japanese Government sources said wartime documents collected in a government search have confirmed the former Japanese Imperial Army was directly involved in operating military brothels with tens of thousands of comfort women.

The Japanese Government has almost completed its investigation into comfort women and is going to release results later this month, the sources said.

Some 100,000 to 200,000 women, mostly from the Korean peninsula, which was under Japan's colonial rule from 1910 to 1945, reportedly were forced to work at military brothels.

Wu remarked there is no change in China's stance to waive demands for wartime reparations and indicated it is taking a negative stance toward growing demands by civilians for compensation.

In addition to the comfort women issue, however, Wu hopes Japan will make the best of compensation issues unrelated to wartime reparations like Chinese forced into labor for Japan during the war and the management of poisonous gas weapons of the imperial army left over from the war.

The official said the conscripted Chinese laborers are demanding remuneration for wages they should have been paid during the war.

During the National People's Congress session this spring, some legislators proposed a bill to demand 24 trillion yen in compensation from Japan for civilian damages. But the Chinese legislature dropped the bill.

Idemitsu To Conduct Oil Exploration Near SRV

OW2406101692 Tokyo KYODO in English 0915 GMT 24 Jun 92

[Text] Tokyo, June 24 KYODO—Japan's Idemitsu Kosan Co. said Wednesday its subsidiary has signed a contract with Petrovietnam to explore for oil in waters off the Bay of Haiphong.

Idemitsu Haiphong Oil Exploration Co. will set up an office in Hanoi, start exploration this year at the No.102 digging area, and start building two pilot wells next year, the parent company said.

The agreed exploration period is three years, but other details of the contract were not immediately known.

Electronics Group Plans To Help EC Firms

OW2406035492 Tokyo KYODO in English 0318 GMT 24 Jun 92

[Text] Tokyo, June 24 KYODO—A Japanese electronics industry organization announced a program Wednesday to help European electronics parts manufacturers enhance their competitiveness.

The program, drafted by the Electronics Industries Association of Japan, follows an agreement it made last October with representatives of the European electronics industry.

The program features an exchange of engineers and focuses on plastic module engineering as requested by the European side.

As part of the program, the association will invite a European mission to Japan for about two weeks starting June 29 with a view to helping European officials and businessmen better understand Japanese business practices and technology on plastic module engineering.

There will be about 30 people in the mission, including representatives from the European Community (EC) Commission, the European Association of Consumer Electronics Manufacturers, and plastic module manufacturers.

The program also calls for the Japanese association to send three or four experts to EC plastic module manufacturers in September and to hold a seminar in Europe this year in colaboration with the EC Commission and European manufacturers on Japanese management.

Government To Freeze Rice Purchase Prices

OW2506015092 Tokyo KYODO in English 0142 GMT 25 Jun 92

[Text] Tokyo, June 25 (KYODO)—The government and the ruling Liberal Democratic Party (LDP) agreed Thursday to keep unchanged the rice price paid to farmers this year.

The agreement, which capped two days of contentious talks, came as a victory for those members of the LDP who opposed any cut in the price paid to rice producers, with an eye to voters in farming areas ahead of an upper house election slated for July.

The government, which has cut the producer price of rice every year since 1990, had been pressing for a cut this year, too, in an effort to reduce government spending and help bring Japan's rice prices more in line with international levels.

The government regulates and subsidizes the domestic rice market, buying much of the rice crop and reselling it to consumers at lower prices. Rice prices in Japan are said to be about six times world levels.

The decision to freeze the rice producer price is to be examined by the Rice Price Council, an advisory panel to the agriculture, forestry, and fisheries minister, before the cabinet makes a final decision.

Usually, the council endorses a government recommendation, making the accord on rice prices between the government and the LDP virtually certain of being implemented.

Council Asked To Approve Freeze

OW2506032892 Tokyo KYODO in English 0317 GMT 25 Jun 92

[Text] Tokyo, June 25 (KYODO)—Agriculture, Forestry and Fisheries Minister Masami Tanabu on Thursday asked an advisory panel to approve a freeze on the rice price to be paid to farmers this year.

The development came after the government and the ruling Liberal Democratic Party (LDP) ended two days of contentious talks earlier in the day with an agreement to keep the rice producer price unchanged.

The advisory panel, the Rice Price Council, is expected to endorse the price freeze later Thursday, setting the stage for the government to finalize the decision at a cabinet meeting.

The price freeze is seen as a victory for LDP members who had opposed any cut in the price paid to rice farmers, with an eye to voters in farming areas ahead of an upper house election slated for July.

The price freeze would be the first in three years, leaving the present price of 16,392 yen per 60 kilograms in effect for another year.

The government, notably the Finance Ministry, had been pressing for a reduction in the producers' rice price in an effort to slash government subsidies to rice and bring domestic rice prices more in line with international levels.

The government regulates and subsidizes the domestic rice market, buying much of the rice crop and reselling it to consumers at lower prices.

Japan has been criticized for its rice pricing policy as well as for its ban on rice imports at the ongoing Uruguay Round of multilateral trade talks under the General Agreement on Tariffs and Trade (GATT).

Besides the price freeze, the government, yielding to pressure from the LDP, agreed to maintain the existing system formed to subsidize rice distribution and to pay an additional 6 billion yen for the system.

Council's Report on Unfair Trade in Great Demand

OW2506083092 Tokyo KYODO in English 0812 GMT 25 Jun 92

[By Keiko Tatsuta]

[Text] Tokyo, June 25 KYODO—Demand for an official Japanese report on unfair trade practices is rapidly depleting the stock of both its 500 Japanese and 400 English language versions, government officials said.

The report, compiled by a subcommittee under an advisory council to the trade minister, is being snapped up particularly by manufacturers, notably semiconductor makers, university professors, and think tanks, as well as various foreign embassies in Tokyo.

Widely publicized in the press was its finding that the United States employs unfair trade practices in nine of 10 areas in contravention of internationally accepted rules, the most among Japan's 10 major trading partners.

Upon release on June 8, the report drew much attention both at home and abroad. The U.S. immediately rejected many of the report's findings, saying those who live in glass houses should not throw stones.

A top official of the Ministry of International Trade and Industry (MITI) responded coolly to the greater-than-expected reaction, but wondered why a similar report released last June by the fair trade center, affiliated with the ministry, did not provoke a similar reaction.

The center's report, the first of its kind, analyzed the trade policies and systems of Japan's three major trading partners and concluded that the U.S. and the European Community (EC) were unfair in nine of 13 areas, while Canada had not been unfair in any areas to date.

Masakazu Toyoda, former tariff division director of MITI's International Trade Policy Bureau, said that the great attention could be due partly to the wider coverage of the subcommittee's first annual report.

Being a practical guide to the General Agreement on Tariffs and Trade (GATT), the 118-page report would help readers understand internationally accepted rules, including most of GATT Director General Arthur Dunkel's final draft proposal to wrap up the ongoing Uruguay Round of talks, Toyoda said.

The GATT rules governing multilateral trade are still far from being understood by many people and companies, Toyoda said, adding that Dunkel's paper of last December covers an ambitiously wide scope of trade, including intellectual property and services.

An official of Toshiba Corp. said the company obtained a copy of the report without knowing about its contents because it had hit the headlines. Toshiba has no specific action plan regarding the report, the official said.

A Sharp Corp. official said the company had acquired a copy of the report in order to keep an eye on government policies.

"Reactions, good or bad, are transient, while one voice (in such a report) is lasting," said Tamotsu Takase, professor of Tokai University, who stressed that Japan should continue to speak its mind without worrying about how others might react.

Even the truth, unless presented, will mean nothing to the international community, Takase said, adding that the report could serve as a step toward further negotiations.

MITI's Toyoda expressed hopes that the report could help settle trading problems on the basis of adherence to international standards.

"The report is sending a message," he said, that Japan should show leadership in bringing the Uruguay Round talks to a swift and successful conclusion.

LDP Decides on 7 Trillion Yen Spending Plan

OW2406151092 Tokyo KYODO in English 1434 GMT 24 Jun 92

[Text] Tokyo, June 24 KYODO—The Liberal Democratic Party (LDP) has forged a 7 trillion yen fiscal spending plan aimed at providing additional thrust to the wobbly Japanese economy, sources at the party said Wednesday.

The LDP has decided to recommend to Prime Minister Kiichi Miyazawa that the government compile a 7 trillion yen supplementary budget, including 6 trillion yen for public works expenditures, the sources said.

The new budget for public works projects will be spent mainly on programs to enhance environmental protection and the housing sector, they said.

The supplementary budget would also include 1 trillion yen in loans from governmental financial institutions to small and medium-size companies.

The LDP will also call on the government to give a tax incentive for corporate capital investments, especially those for streamlining and energy-saving purposes, they said.

The tax reduction will probably be implemented in fiscal 1993, they said.

Among the programs expected to be financed by the supplementary budget is the establishment of a fund for environmental protection, the brainchild of former Prime Minister Noboru Takeshita, and assistance to international safety inspections into nuclear power plants of the Chernobyl type, the LDP sources said.

The 6 trillion yen in new expenditures for public works will be financed through issuing so-called construction bonds, while the 1 trillion yen in loans to smaller companies will be financed by fiscal investment and loans.

The LDP's Policy Research Council has been working on the supplementary budget plan so that Miyazawa can announce it at the summit meeting of the seven major industrial countries slated for early July in Munich, Germany.

Yoshiro Mori, chairman of the council, met Chief Cabinet Secretary Koichi Kato on Wednesday to tell him about the framework for the plan. The two agreed to submit the blueprint to Miyazawa, probably by the end of the week, the sources said.

In the face of strong resistance by the Ministry of Finance (MOF) to compiling such a budget, Miyazawa has sought an LDP initiative on the issue.

The government has been under pressure from both big businesses and Japan's major foreign trade partners, which are concerned about Japan's resurging trade surplus, to provide additional fiscal stimulus to boost domestic demand.

The tumbling stock market has also drawn calls from both the LDP and the business community for such fiscal spending.

The government announced a fiscal package on March 31 to stimulate the sagging economy, including a 75 percent front-loading of public works spending for fiscal 1992, which began April 1.

The economy, however, has yet to show any clear signs of an upturn, with the stock market falling anew.

MOF officials, who are worried about the fiscal sqeeze due to falling tax revenues, remain skeptical about additional fiscal spending.

They say the government should fully assess the effects of the measures it has already taken before considering any additional spending.

A top-ranking MOF official said Wednesday, "I still believe it is not the right time for talking about more spending."

But Miyazawa, who fears he will face blunt calls from his G-7 partners at the summit meeting for further spending, has urged the LDP to come up with a spending plan.

On the list of public works projects to be financed by the supplementary budget are those useful for boosting environmental protection and improving living conditions, such as projects for expanding garbage disposal facilities and parking lots, the sources said.

The LDP will also call for renewal of academic research facilities and an addition to the front-loaded public works, they said.

The plan will include an expansion of loans from government financial institutions to smaller companies, which have been plagued by deteriorating financing conditions.

The LDP's task force working on the supplementary budget will meet again Thursday to finalize the plan, they said.

Ministry Skeptical About Supplementary Budget

OW2406114592 Tokyo KYODO in English 1027 GMT 24 Jun 92

[Text] Tokyo, June 24 KYODO—A top-ranking official of the Ministry of Finance (MOF) on Wednesday criticized movements in the ruling Liberal Democratic Party

[LDP] to announce a plan for a supplementary budget before the summit meeting of major industrial countries.

The official, who spoke with reporters on condition that he not be identified, said, "I still believe it is not the right time to talk about additional fiscal spending."

The official said the effects of the economic booster package and the interest rate cut announced three months ago have not become clear yet.

"It is too early to start discussing (a supplementary budget), let alone the size of it," he said.

The LDP is working out a plan for a supplementary budget of several trillion yen to be announced before Prime Minister Kiichi Miyazawa leaves Japan next Tuesday to attend the annual summit meeting of the seven leading industrial countries slated for early July in Munich, Germany.

The MOF official stressed the importance of fully assessing the effects which the measures the government has already taken are expected to produce.

He also said current economic conditions are different from those of 1987, when the government injected 6 trillion yen to stimulate the economy out of a recession caused by the yen's sharp upswing.

The official pointed out that Japan now enjoys almost full employment with the ratio of effective labor demand to effective supply at around 1.2, in sharp contrast to the labor situation during the "strong-yen recession," when the ratio was around 0.6.

He also said the 6 trillion yen package in 1987, which included 1 trillion yen in tax reductions, helped create the speculation bubbles in the late 1980s because the money was injected after the economy had started picking up.

It is very likely that the government will make the same mistake now if it bows to pressures from politicians calling for additional fiscal spending partly out of concern about their own election prospects, he said.

Research Institute Predicts 2.7% GNP Growth

OW2506083692 Tokyo KYODO in English 0801 GMT 25 Jun 92

[Text] Tokyo, June 25 KYODO—The Japanese economy will grow at a rate of 2.7 percent in the current fiscal year, which ends March 31, 1993, even if a supplementary budget is adopted, a private think tank predicted Thursday.

Fuji Research Institute said the 2.7 percent growth in the real Gross National Product (GNP) is far below the 3.5-percent growth targeted by Prime Minister Kiichi Miyazawa's cabinet.

The figure is also lower than the 2.8 percent growth projection made by the institute in March under the assumption that the cabinet would compile a 3 trillion yen supplementary budget.

The institute's new projection is based on the compilation of a 4.5 trillion yen supplementary budget.

The downward revision stemmed mainly from lower capital spending, which the institute predicted will post a marginal 0.8 percent rise, said economists at the institute which is affiliated with Fuji Bank. In the March estimate, the institute predicted capital spending would rise 2.0 percent.

Corporate managers at major Japanese companies are reluctant to increase investment in plants and equipment in the face of equity financing difficulties resulting from a slump in the stock market, the economists said.

But the country's economic expansion for this year will be led by a boost in public works expenditures because of a supplementary budget, expected to be compiled this fall, along with an increase in exports, the institute said.

Ministers Negotiate Budget Requests for Next Year

OW2306051192 Tokyo NHK General Television Network in Japanese 1000 GMT 22 Jun 92

[From the "NHK News" program]

[Text] The standard for estimated budget requests in determining the general framework of the budget for the next fiscal year was adopted in negotiations with various cabinet ministers today regarding plans such as calling for large-scale restraints on annual defense expenditures and enhancing public investments in view of the economic recession.

Negotiations with cabinet minsters for determining the standard of estimated budget requests in the budget for next fiscal year have been carried this year one month earlier than usual in order to make known to major industrialized nations Japan's policy of compiling the budget aimed at expanding domestic demand, prior to the Munich summit.

Today's negotiations were held by Finance Minister Tsutomu Hata with the four cabinet ministers in charge of construction, health and welfare, defense, and foreign affairs.

In this connection, in the backdrop of the East-West cold war structure, the defense expenditure, which forms the greatest focus of attention, has been settled with growth limited to 3.6 percent, further falling below the figure for this year's budget—which has indicated the lowest growth in 32 years.

Moreover, official development assistance (ODA), which has so far demonstrated high growth in its international contributions, is maintained about its same level, with growth restrained to 9.4 percent.

On the other hand, regarding public investments, in view of the economic recession, the public works expenditure related to livelihood such as housing has been settled by being increased 50 billion yen. Accordingly, the public works expenditure is expected to be maintained at a growth rate of 5 percent; as a result, the overall budget amount demanded for general annual expenditure to be applied for promoting various policies has been settled at 40.5 trillion yen, an increase of about 4.8 percent over this year's budget.

As there can be no expectation for an increase in tax revenue for next fiscal year, the Finance Ministry will plan to further restrain annual expenditure by centering in on defense expenses in compiling the budget at the end of the year.

Incidentally, at the meeting of government and Liberal Democratic Party leaders held today, referring to the government budget plan for the fiscal 1993 to be compiled at the end of the year, Finance Minister Hata said that efforts have been made to move up as much as possible the schedule of compiling the budget. Partly because of the introduction of the five-day workweek system, the decision on the government budget plan for the next fiscal year may be made on 26 December, toward the end of the year.

BOJ Chief Sees 'Prospects' in Economic Slowdown

OW2306065492 Tokyo KYODO in English 0634 GMT 23 Jun 92

[Text] Tokyo, June 23 KYODO—Bank of Japan (BOJ) Governor Yasushi Mieno acknowledged Tuesday that the slowdown in Japan's economic growth is painful for businesses but said recovery prospects are bright.

Mieno brushed off pessimism about the economy, predicting respectable long-term growth.

The central banker said in a speech that corporate performances have deteriorated more quickly in the current downturn than in the major recessions after the second oil crisis in 1979 or the yen's sharp upswing engineered by the Plaza Accord in 1985.

"I don't think we can say the trough is not deep this time around," Mieno said.

But he asserted that Japan's overall economic conditions are better than those in other industrial countries and that the slowdown brings various benefits to achieving long-term economic growth.

Noting the country's labor shortage and low unemployment, Mieno said the level of economic activity remains high in terms of the supply-demand balance.

There is no serious gap between the supply and the demand that would lead to deflation, he said.

Mieno also said the current deceleration of economic expansion is serving to adjust many "excesses" created by the speculative "bubble economy" of the late 1980s, including the harsh labor shortage, strong inflationary pressures, and soaring asset prices.

The slowdown is also stimulating corporate restructuring, he said.

The current decline is part of a self-adjustment process, and the economy is firmly on the road to an "autonomous recovery," he said.

"There are no factors that will impinge on the economy's long- term growth," he said.

On Japan's resurging current-account surplus, the central bank chief said there is no way to reduce it in the short term, saying, "the current level of surplus is bound to continue."

Achieving steady growth driven by domestic demand and a strong, stable yen are important to rectify the imbalance, but more significant are efforts to open the Japanese market to foreign products, Mieno said.

"We need a structural adjustment to enhance the openness of the Japanese economy as a system," he said.

Mieno also said Japanese financial institutions, bedeviled by bad debts, face a tough task in improving their asset contents.

Trouble for financial institutions is a main characteristic of this economic downturn, not seen in Japan's previous recessions, the central banker said, but he expressed optimism in the ability of Japanese banks to cope with the situation.

With the basic strength of Japanese financial institutions, including their profitability and their firm determination to overcome the current difficulties, Mieno said he had "no doubts" they would surmount their problems.

LDP To Set Up 10 Billion Yen Environment Fund

OW2506064792 Tokyo KYODO in English 0536 GMT 25 Jun 92

[Text] Tokyo, June 25 (KYODO)—The ruling Liberal Democratic Party's [LDP] round-table conference on the environment agreed Thursday to set up a 10 billion yen fund to tackle global environment preservation, party officials said.

The Environment Fund will be established in October to develop the government's measures on global environmental preservation into a national movement by seeking cooperation from various areas, the officials said.

Tax privilege measures will be taken for contributions from companies and individuals and the party hopes the scale of the fund will be between a few hundred billion yen to 1 trillion yen in the future, they said.

The panel, headed by former finance minister Ryutaro Hashimoto, will further discuss the amount of investment it will seek from the government and the private-sector and then demand government money in the budget for fiscal 1993, starting next April.

In a related development, another intra-party panel on the environment led by Masayoshi Takemura has also urged the government to invest 200 billion yen in the environmental fund from the supplementary budget for the current fiscal year, the officials said.

Voices are mounting both in the LDP and business circles that the government should compile the large-scale supplementary budget for the 1992 fiscal year, which ends next March, to boost the sluggish domestic economy.

Upper House Member Ishihara Resigns From LDP

OW2406114692 Tokyo KYODO in English 1038 GMT 24 Jun 92

[Text] Tokyo, June 24 KYODO—House of Councillors member Kentaro Ishihara said Wednesday he has mailed a letter of resignation from the ruling Liberal Democratic Party (LDP) to party headquarters.

On Monday, Ishihara, 54, announced he would leave the LDP because of differences over the party's position on sending troops overseas for UN peacekeeping operations.

The Diet last week enacted the UN peacekeeping cooperation bill with the backing of an LDP-led parliamentary coalition.

Ishihara told a news conference Wednesday, "I won't change my mind."

He said he will continue in parliament as an independent member until 1995 when his six-year term expires.

Senior LDP officials said the party leadership will not immediately accept Ishihara's resignation.

In a news conference held in the Fukushima Prefectural Government Office Monday, Ishihara said, "there is a wide disparity between my ideas on (Japan's) international contributions and the LDP's."

SDP Backers Reject Election Candidate Morita

OW2406101592 Tokyo KYODO in English 0858 GMT 24 Jun 92

[Text] Tokyo, June 24 KYODO—Pro-socialist independent local assembly members and civic groups have voiced opposition to actor Kensaku Morita, who has been recommended by the Social Democratic Party (SDP) as a candidate in the upcoming House of Councillors election, party officials said Wednesday.

Morita, popular among young people, announced his candidacy for Rengo Sangiin, an affiliate of Japan's largest trade union Rengo, in the July 26 upper house election. The SDP, the Democratic Socialist Party (DSP) and the United Social Democratic Party (USDP) have decided to jointly recommend his candidacy in a Tokyo constituency.

But the SDP's local assembly members and civic supporters were quoted as saying they want the sdp to cancel its recommendation of Morita, who supports the contribution of Japanese Self-Defense Forces personnel to UN peacekeeping operations.

Morita backs the UN peacekeeping operations, they said, but has not yet make clear whether he supports the actual legislation, which was promulgated following the June 15 passage of the UN Peacekeeping cooperation bill.

Morita said he decided to stand in the upper house election to help create an effective opposition to the ruling Liberal Democratic Party (LDP).

The SDP has rejected the UN peacekeeping cooperation legislation, which it said contravenes the war-renouncing constitution.

The SDP's officials quoted primary school teacher Etsuko Nimura as saying she does not understand why the SDP is recommending Morita as a candidate for Rengo Sangiin. She belongs to a civic group backing the SDP.

Keiko Sumita, an independent assembly member of an outer Tokyo city, said, "I do not believe the man (Morita) has changed his mind so easily, only seven years after appearing on a poster calling on young people to join the SDF."

Rengo Sangiin has decided to field Morita and 22 other candidates in the election after gaining recommendations from four opposition parties—the SDP, the DSP, Komeito and the USDP—to strengthen their forces in constituencies where opposition parties independently will not be able to fight the LDP, political analysts said.

Finance Ministry To Shuffle Top-Level Personnel

OW2306115392 Tokyo KYODO in English 1030 GMT 23 Jun 92

[Text] Tokyo, June 23 KYODO—The Ministry of Finance (MOF), in a broad change of top personnel, will name the chief of the Tax Agency as the new top finance bureaucrat, MOF officials said Tuesday.

Mamoru Ozaki, director general of the National Tax Administration Agency, will replace Hiroshi Yasuda as vice finance minister, the officials said. Yasuda is retiring.

Masaaki Tsuchida, director general of the Banking Bureau, will take Ozaki's post, while Tsuchida will be succeeded by Nobuyuki Teramura, currently director general of the Financial Bureau.

Teramura will be replaced by Takeshi Fujii, director of the Secretariat at the Economic Planning Agency.

Tadao Chino will remain as vice finance minister for foreign affairs, they said.

Tadashi Ogawa, councilor at the minister's Secretariat, will become the new director general of the Securities Bureau, replacing Nobuhiko Matsuno, who also is retiring, they said.

The personnel shuffle will take effect June 26 if it is approved by the cabinet, the officials said.

North Korea

History of Ties With U.S. Since War Viewed

SK2506024392 Pyongyang Korean Central Broadcasting Network in Korean 0000 GMT 25 Jun 92

[NODONG SINMUN 25 June editorial: "The History of Disaster Should Not Be Repeated"]

[Text] Today is 25 June. The world witnessed another war crime provoked by the U.S. imperialists on the Korean peninsula on this day 42 years ago. The blaze of this war spread all over Korea. It was a war of aggression forced by the largest country on earth on a small country. The Korean war was the largest scale and most ferocious war to have broken out on earth since World War II in terms of arms mobilized and in terms of intensity.

The war subjected our people to a stern trial. In those days, our Republic was still in an infant stage; our People's Army, which had just been founded, was inexperienced. Our people and People's Army, however, waged a heroic struggle firmly united around the great leader Comrade Kim Il-song, bravely overcoming the most stern trial for the fatherland and achieving a great historical victory. They also defended the DPRK, their glorious fatherland, and demonstrated to the entire world the heroic spirit and indomitable fighting will of the Korean people.

Our people's victory in the war clearly demonstrated that the people and the army that rose up for the country's sovereignty and the nation's dignity under the wise leadership of the party and the leader are ever-victorious and that no force can make them surrender.

Nearly 40 years have passed since the Korean cease-fire. Many changes have taken place in the world situation and the times have also changed during this historical period. The East-West cold war structure has collapsed, the policy of strength has failed, and increasingly more countries are opposing domination and subjugation and following the road of independence. The nations that had long lived in separation put an end to the bitter history of distrust and hostility and are entering the road of reunification. On the Korean peninsula, however, the old remains of the cold war era are still extant with continuing confrontation and division.

Since the first day of the Korean armistice being realized, our party and the government of our Republic have made reasonable proposals one after another to improve DPRK-U.S. relations and North-South relations, which are in a state of confrontation. Our government also proposed to bring an end to the state of tensions in the country so as to ensure durable peace on the Korean peninsula and made every sincere effort to realize this. If our realistic proposals for peace and peaceful reunification, which have received wide support and approval from people at home and abroad, had been realized, the Korean peninsula would have been completely free of the danger of a recurrence of war long ago. Hopes for peace would prevail, the wall of division would have collapsed, and a phase for peaceful reunification would have begun.

Our just proposals and sincere efforts, however, are facing the challenge of the United States' and the South Korean authorities' consistent antipeace and antireunification divisionist policy, and have not received a proper response from them.

The U.S. imperialists, implementing the policy of interference and domination in South Korea, have threatened peace in our country by force and have obstructed the cause of reunification. The United States not only brought tens of thousands of troops and nuclear weapons into South Korea and conducted the Team Spirit joint military exercise, a nuclear war rehearsal, every year. They also recently have been pressuring us to receive a one-sided nuclear inspection, mentioning our nonexistent nuclear development.

The United States, which is mentioning a so-called end to the cold war, is pursuing an old policy of strength on the Korean peninsula. This is anachronistic. It is time for the United States to abandon the policy of strength and change its policy toward Korea. The United States is contradicting the trend of history by not rectifying, but continuing to pursue its wrong policy toward Korea. If the United States truly wants detente, it should improve relations not only with a limited part of the world, but with all parts of it. It should take a step of reconciliation and start detente particularly from the Korean peninsula, where distrust and confrontation is the most acute. This is an unpostponable urgent demand to end the undesirable DPRK-U.S. history and to normalize relations. The historical relations between Korea and the United States have always been unequal relations between the victim and the wrongdoer. Our Korean people have never encroached on the interests of the United States at any time in history. The United States, however, has imposed its one-sided unjust will and demands on our people for 110 years. This wrong policy of the United States is not suitable for the demands of the changed situation, either. Just as the United States is an independent sovereign state, so our Republic is an independent sovereign state. Just as the United States has the right to choose its ideology, ideals, and system, so we have the due right to choose our ideology, ideals, and system.

Large and small countries are in the world. But they should all respect each other and the independent rights of the sovereign states based on the principles of independence and equality. The larger countries should all the better know how to behave in conformity with international justice. Because the United States is a party with direct responsibility for the Korean question, it more than any other country should respect and refrain from encroaching on our country's sovereignty and dignity.

The United States, however, is exercising its right incorrectly and is following a wrong road. Today, the United States, which is thousands of miles away and unwilling to change its wrong policy, is telling us to change our policy. They are trying continuously to pressure us, who are faithfully carrying out the international duty pursuant to the Nuclear Nonproliferation Treaty, while not allowing inspection of the nuclear weapons deployed in South Korea. This is a totally unfair act.

Pressures and threats are the legacies of the cold war era. It is unthinkable for us to give up what our people have chosen on their own, even if someone else applies pressure, and to stop doing what we should do or do what we should not do, even if someone else threatens us. If people who apply pressures and threaten us have power of their own kind, we, too, have power which is necessary to us. We always only give genuine advice. If the United States genuinely does not want the recurrence of the 25 June [Korean war] calamities on the Korean peninsula, it must correct its outdated, old policy toward Korea and embark on the road toward improving DPRK-U.S. relations.

Korea belongs to the Korean people, and it is the Korean people who must solve the Korean question.

At a time when the North and South have agreed on reconciliation and nonaggression and are walking toward peace and reunification, the United States must, as a matter of course, withdraw its forces from South Korea, remove its hands of unjust interference from the internal affairs of our nation, and do something beneficial for peace and reunification. Peace is beneficial not only to us, but also to the United States; war is harmful not only to us, but also to the United States.

The United States must realistically see today's changed situation and the developing situation in Asia, see the future presciently, and choose a beneficial road and not a harmful one. If the United States embarks on a road toward improving DPRK-U.S. relations from an honest standpoint without presenting unjust preconditions, we, too, will look to the future without looking back on the past and make efforts to improve DPRK-U.S. relations as we did in the past.

The Korean war taught our nation a serious, stern lesson. Dragging outside forces in and engaging in confrontation with the fellow countrymen is a treacherous act that imposes calamities on the nation and lets outside forces gain profits as a third party.

In looking back on those painful days when all the people in the North and South were victimized in the global ideological war and when the sacred fatherland was turned into a flashpoint for East-West confrontation, we must have the courage and wisdom to open a correct road on our own amid today's complicated and eventful situation in our vicinity.

Today, the East-West confrontation has lost its significance as the bipolar system collapsed. Our nation must live for itself after coming to its senses, instead of living for other people after losing its senses. At this time, the South Korean authorities, failing to wake up from the nightmarish East-West confrontation, still are clinging to an extreme position in the West and are playing the role as its point man. From a national viewpoint, this is truly shameful.

Independence is the life of the country and nation. Independence is all the more valuable to our nation, which has lived the 20th century in suffering because of its toadyism and reliance on outside forces. Our nation's interests and dignity lie in independence, and peace in the country and its peaceful reunification, for which all the fellow countrymen earnestly hope, lie in independence, too.

If the South Korean authorities truly consider national independence to be valuable, they, freeing themselves from their shameful subjugation, toadyism, and reliance on outside forces, must live with a national spirit, as a matter of course. We ourselves are proud of our independence, and the world knows it well and envies it.

From an independent standpoint, we have consistently demanded that the country's reunification be resolved independently and peacefully, based on the great national unity through dialogue between North and South. The on-going historic North-South high-level talks and the North-South agreement and the joint denuclearization declaration, which were adopted at the talks, are brilliant fruitions of a national independence policy, to which we have adhered. They embody the demands of national history and the era concerning the urgent issue of peace in the country. Therefore, we consider all these achievements to be valuable and earnestly hope that the mutual agreements will be implemented at the earliest possible date.

Based on our achievements so far, we must make momentous progress toward peace in the country and its peaceful reunification and must not retreat under any circumstances.

Today, the South Korean authorities openly say that they would withhold the implementation of mutual agreements and that the nuclear inspection of the North is a precondition for improving North-South relations. This is a deliberate act intended to create obstacles for the talks and create the backward flow of confrontation in North-South relations and cannot be justified under any pretext.

Antagonism and confrontation lead to the aggravation of tension and war, and reconciliation and unity lead to the alleviation of tension and to peace. The South Korean authorities must not try to return to the road of war that broke out approximately 40 years ago but make clear their will for peace and peaceful reunification by sincerely implementing the North-South agreement and the joint denuclearization declaration. The past history of calamities must not be repeated on the Korean peninsula. No one must try to test us by provoking another Korean war or force us, who are confidently marching along the road we have chosen, to change course. War or peaceful transition strategies will not work on us.

Single-minded unity among the leader, the party, and the masses is a source of our invincible strength. Our independent politics, self-supporting economy, and self-reliant defense embody the immortal chuche idea under the tested leadership of the great leader and the great party, and have overcome all trials over time. Based on the strength of chuche, we have defeated all pressures of great-power chauvinism and overcome common retaliations and sanctions and have not been shaken by nuclear threats for decades.

Upholding the great leader Comrade Kim Il-song and following the wise leadership of the dear leader Comrade Kim Chong-il, our people will further glorify the popular masses-centered socialism of our own style by overcoming all the challenges and accelerating revolution and construction and will more vigorously struggle to promote peace in the country and hasten its independent, peaceful reunification.

U.S. Intention To Remain in South Viewed

SK2506050392 Pyongyang KCNA in English 0426 GMT 25 Jun 92

[Text] Pyongyang June 25 (KCNA)—A spokesman for the U.S. Defence Department told a press conference Wednesday that the U.S. troops would not be withdrawn from South Korea because the North's "intention to develop nuclear weapons is unequivocal," according to a radio report from Seoul.

One day earlier, the U.S. Defence Undersecretary on his Southeast Asian trip said at a press conference that the North of Korea was "a big threat to stability" in the Asia-Pacific region, raising outcries over the North's "efforts for nuclear development.

In this clamor these days, U.S. high-ranking officials reveal their intention to stay in South Korea, their military base for aggression.

The bellicose quarters of the United States must stop their nonsensical talk and allow an overall inspection of the U.S. nuclear weapons and bases in South Korea as demanded by us to verify the authenticity of the South Korean chief executive's "declaration on nuclear absence."

Hanminjon Chief in Cuba Urges 2d June Uprising

SK2406120292 Pyongyang KCNA in English 1001 GMT 24 Jun 92

[Text] Havana June 22 (KCNA)—Yi Chong-sang, chief of the Havana mission of the South Korean National Democratic Front (Hanminjon), called a press conference on June 18 on the fifth anniversary of the historic June popular resistance.

He said that the June popular resistance was a nationwide resistance for democracy in which millions of South Korean people from all walks of life rose as one and waged a daring struggle, shaking the colonial military rule of the U.S. imperialists and the South Korean authorities to its very foundation. It showed that nobody could crush the desire and demand of the South Korean people for independence against dictatorship, he added.

The present situation, Yi said, calls upon the South Korean people to rise in the second June popular resistance in order to free themselves from U.S. domination and enslavement policy and from the slavery to the dependent "regime".

What should be sold urgently in South Korea is national independence, social democracy and reunification of the country, he noted, stressing: the South Korean people must all rise in the struggle to overthrow the fascist, traitorous "regime" which maintains itself by depending on outside forces and set up a power seeking reunification, a power of national coalition.

South Korea

Cabinet Reshuffled; New Deputy Premier, Ministers

SK2506082492 Seoul KBS-1 Radio Network in Korean 0745 GMT 25 Jun 92

[Text] This is a flash report.

President No Tae-u partially reshuffled the cabinet this afternoon. Reporter Mun Chae-chol reports from Chongwadae:

[Begin Mun Chae-chol recording] President No Tae-u reshuffled the cabinet this afternoon. The reshuffle affects seven cabinet ministers.

The new cabinet is: Choe Yong-chol, special adviser to the president for political affairs, was named deputy prime minister and minister of the National Unification Board; Yi Yon-taek, former minister of government administration, was named minister of labor administration; Yi Mun-sok, former commander of the First ROK Army Corps, was named minister of government administration; Yi Chae- chang, former governor of Kyonggi Province, was named minister of environment; Han Yong-sok, director of the Institute of Criminal Policy, was named minister of legislation; and Yi Sang-pae, minister of government administration, was named mayor of Seoul.

President No also named So Tong-kwon, former director of the Agency for National Security Planning, as special adviser to the president for political affairs.

At the same time, President No retained Kim Yong-chun, the incumbent chairman of the Board of Audit and Inspection. [end recording]

North's Yi Sam-no Warns of 'Military Action'

SK2506024092 Seoul YONHAP in English 0224 GMT 25 Jun 92

[Text] Tokyo, June 25 (OANA-YONHAP)—North Korea may have to take "a certain type of military action" for its survival if superpowers support only South Korea, a senior Pyongyang official reportedly warned Wednesday.

Japanese daily MAINICHI SHIMBUN, in a Honolulu-datelined report in its Thursday editions, quoted Yi Sam-no, advisor to the North Korean Disarmament and Peace Institute, as saying it is "unthinkable" that China would normalize ties with South Korea before Japan and the United States establish relations with North Korea.

Yi, also chief North Korean delegate to Tokyo-Pyongyang diplomatic normalization talks, made the comments at a committee discussion of a six-nation seminar on peace on Korean peninsula and Korean unification, sponsored by the MAINICHI SHIMBUN.

"North Korea may end up taking a certain type of military action for its survival if superpowers support only one side," he was quoted as saying.

His remarks are emphasizing that the superpowers hold the decisive key to stability on the Korean peninsula, observers here said.

Other countries must lead South and North Korea to unify at the same level, without economic sanctions against North Korea, Yi told the seminar.

If "Team Spirit" exercises continue, North Korea will "boil over in feelings" that South Korea might attack, he said.

"Team Spirit" is a South Korea-U.S. annual military maneuver held since 1976. It was canceled this year after North Korea signed the nuclear safeguards accord with the International Atomic Energy Agency, first step to accepting nuclear inspection.

Remarks on U.S. Forces 'Misinterpreted'

SK2506063092 Seoul YONHAP in English 0533 GMT 25 Jun 92

[Text] Seoul, June 25 (OANA-YONHAP)—Press reports that a North Korean official said his country may recognize continued U.S. military presence in South Korea even after national reunification are misquotations, Foreign Ministry officials here said Thursday.

Yi Sam-no, who was quoted by Japanese daily MAINICHI SHIMBUN with the remark, was most likely misinterpreted by a Japanese translator, Chong Tae-ik, director-general for American Affairs Bureau, said.

Yi, advisor to North Korean Disarmament and Peace Institute, is in Honolulu attending a six-nation seminar on peace on Korean peninsula and Korean unification.

He is also North Korea's chief delegate to Tokyo-Pyongyang diplomatic normalization talks.

The North Korean official said American forces in South Korea could be withdrawn gradually if their presence is absolutely necessary for stability in Northeast Asia, Chong said.

Yi's remarks did not say anything about continued U.S. military presence even after national unification, he said.

Inter-Korean Inspection Discussed With U.S.

SK2506094892 Seoul YONHAP in English 0931 GMT 25 Jun 92

[Text] Seoul, June 25 (OANA-YONHAP)—South Korea and the United States vowed Thursday close consultation with Japan, the European Community and other allies to press North Korea to accept inter-Korean nuclear inspection.

The inter-Korean inspection must include challenge inspection and North Korea's military installation in order to stop Pyongyang's nuclear development, the United States emphasized.

South Korean Foreign Minister Yi Sang-ok and visiting U.S. Undersecretary of Defense for Policy Paul Wolfowitz discussed North Korea's nuclear suspicions during their 70-minute meeting, Chong Tae-ik, director-general of American Affairs Bureau, said.

Without complete removal of North Korea's nuclear suspicion, Washington cannot "regularize" high-level contacts with Pyongyang, Wolfowitz was quoted as saying.

The remark indicates a slight change from Washington's earlier position that it will not hold any such high-level contact until the problem is solved.

Yi explained South Korea's position on the nuclear inspection regime, recent development in Joint Nuclear Control Commission (JNCC) negotiations and Seoul's concerns about results of International Atomic Energy Agency (IAEA)'s ad hoc inspection on North Korea, Chong said.

He called special attention to the operation records IAEA obtained on Pyongyang's radiochemical laboratory, suspected to be ultimately used as reprocessing facility.

South Korea doubts the credibility of the operation records, Yi told Wolfowitz, and more details must be verified through inter-Korean inspection, he said.

It would be difficult for South-North Korean relations to progress without full resolution of Pyongyang nuclear problem, Yi said.

Wolfowitz called for "effective and credible inspection regime " but did not indicate any deadline on when the regime should be decided, Chong said.

The regime must cover North Korea's military installations to maintain reciprocity, the undersecretary said. The United States will show its military facilities in the South when North Korea shows its military installations as well, he said.

Commenting on North Korea's radiochemical laboratory, Wolfowitz stressed it is in violation of the inter-Korean joint declaration of the denuclearization of the Korean peninsula where both sides promised not to possess nuclear reprocessing facilities.

North Korea must "hold the continued construction and forego the reprocessing facilities," he was quoted as saying.

North 'Will Stop' Yongbyon Lab Construction

SK2506033192 Seoul KYONGHYANG SINMUN in Korean 25 Jun 92 p 2

[Report by Tokyo-based correspondent Yi Tong-chu]

[Text] Choe U-chin, deputy director of Disarmament and Peace Institute, who is the North Korean side's chairman of the North-South Joint Nuclear Control Commission, told the Japanese side that North Korea "will stop construction on the radiochemical laboratory in Yongbyon." This was according to a TOKYO SHIMBUN report dated 24 June, which quoted a Japanese Government source. TOKYO SHIMBUN reported that if deputy director Choe's remarks are true, it will help dispel doubts concerning North Korea's nuclear development.

Scientist Views Nuclear Development in North

SK2106133892 Seoul WOLGAN CHOSON in Korean Apr 92 pp 218-27

[Interview with Yi Chang-kon, researcher at the Korea Atomic Energy Research Institute, by Yu Yong-won; place, date not given—italicized passages are introductory remarks: "Timing of the Bombing of DPRK Nuclear Facilities"]

[Text]***North Korea Will Have Nuclear Manufacturing Capability No Earlier Than 1994***

The storm over North Korea's nuclear development on the Korean peninsula is raging again. The waves that had appeared to be calming with the agreement on the "Joint Declaration on Denuclearization of the Korean Peninsula" between North and South Korea in December 1991 are rising again as North Korea and the International Atomic Energy Association (IAEA) differ about the methods and inspection times of North Korea's nuclear facilities. As soon as the North began to lean toward delaying the inspection, our government temporarily delayed implementation of exchanges, linking the nuclear negotiations in February 1992 with economic exchanges between the North and South.

The United States has been fanning the fierce winds on the Korean peninsula, making those waves rise even further. The CIA director has warned that if North Korea has nuclear facilities, within a few months they will have the capability to manufacture nuclear weapons, and U.S. the media continue to report on North Korean nuclear development, heightening the crisis mentality. While all of this has been going on, bombing the formerly concealed North Korean nuclear facilities is being discussed again.

Is North Korea's capability of manufacturing nuclear weapons really as imminent as foreign government statements and press reports indicate? If North Korean nuclear facilities are attacked, is there a danger of radiation leakage? I listened to the opinions of veteran atomic scientist Yi Chang-kon, a researcher at the Korea Atomic Energy Research Institute (62 years old and former chairman of the Atomic Science Society), on North Korea's nuclear weapons manufacturing capability and the discussions about bombing the nuclear facilities.

[Yu Yong-won] Of all the nuclear facilities at Yongbyon, attention is focused on when the reprocessing facility that is directly related to nuclear weapons development will be operational, an issue over which there is much debate. Among the various rumors that completion is imminent, some analyses conclude that the facility is already in operation. At what stage do you see the reprocessing facilities?

[Yi Chang-kon] The reprocessing facilities were predicted to have been completed this year. Also, the rate of operation of the No. 2 research reactor (which started operating in 1987), upon which concern has been focused, is no more than 50 percent. Even if the reprocessing facilities have been completed and the pipe connections are checked for leakage, the design requires several months of conducting necessary "cold tests" to confirm if they are operational.

Even if this process has been completed, it does not mean that sufficient quantities of plutonium will come out as soon as spent fuel is placed in the reprocessing facility. Just as India finally succeeded after several failures, North Korea will need a year for trial and error. Therefore, it has been our claim until recently that North Korea will have the ability to produce nuclear weapons no earlier than 1994.

[Yu] The 1991 edition of the "National Defense White Paper," which incorporates the official opinion of the Ministry of National Defense [MND], includes the view that the Yongbyon reprocessing facility will be fully operational in 1993 and that the North may possess nuclear weapons by the mid-1990's. Even the experts generally believed that it would be 1994-95 before North Korea possesses nuclear weapon manufacturing capability.

According to foreign press reports over the past year, the expected time has been shortened. Is this trend based on technical analysis? Or is it more of a political nature aimed at pressuring North Korea?

[Yi] In the tale of Chunhyang, before the wicked Lord Pyon is punished, there is a scene where the protagonist, Yi Mong-yong, appropriately manipulates the servants Pangja and Hyangdan.

Likewise, the U.S. authorities dealing with the problem of North Korea's nuclear development appear to be using their media as servants. It may be that the United States is doing that to achieve a political objective. The opinions of nuclear specialists are consistent in that it will be 1994-95 before North Korea possesses the ability to produce nuclear weapons. If the intelligence leaked to the media turns out to be wrong, the United States can blame its media, and that will be the end of it. It is difficult to accept the recent statement by the head of the CIA at face value. It is being interpreted as an attempt to settle this problem before the fact because an attack will be difficult once spent fuel is loaded into the reprocessing facility.

If North Korea used Hyundai Group founder Chong Chu-yong's method, they could reduce the time of nuclear development by several months. Normally it takes 28 days, 21 days if they are fast, to build a concrete protection wall. But did not Chong Chu-yong say he builds them in just two weeks? Also, Chong successfully submitted a low bid on a large construction project in the Middle East: When he promoted his business, he did not even purchase marine insurance for the enormous steel structure he carried through the Indian Ocean's large waves, just to save money.

[Yu] It has been pointed out that North Korea, using the Chong Chu-yong method, can easily sacrifice human beings, thus shortening the time period. North Korea, compared to the free Western world, can ignore the value of human life and forcefully pursue nuclear development regardless of the dangers. No matter how unique they say the North Korean system is, however, will they be able to sacrifice atomic energy technical expertise easily?

[Yi] In reprocessing, if mechanical devices with remote controls are not used, the greatest worry about human injury is that people must operate the valves directly, exposing the person to hazardous radiation bombardment. India adopted a method where several people, taking very short turns, would lock the valves and rush out.

Thus, if the North followed the very strict Western safety regulations, it would take a long time. If Kim Il-song's orders come down, however, it will be a different story. There are an estimated 180,000 political prisoners in North Korea. North Korea essentially could kill two birds with one stone if these people were used to lock the valves, ridding them of their political prisoners while simultaneously aiding its nuclear development.

[Yu] Do not nuclear power scientists say they can accomplish nuclear development and have no injuries at all?

[Yi] Scientific technicians are said to do only the planning, designing, and guiding behind the scenes. The simple work, which the engineers would do, is assigned to the political prisoners. This is the same, for example, as having political prisoners doing the dangerous work of extinguishing the fire and shutting off the valves of storage tanks at a fire like the February 1992 Kwangju City gas explosion.

[Yu] An article in the February 1992 CHOSON ILBO reported the existence of refining facilities in Pyongsan, Hwanghae Province and in Pakchon, North Pyongan Province. What was the basis of this report?

[Yi] The 1991 JANE'S INTELLIGENCE REVIEW, a professional military magazine from Great Britain, reported that there are refining facilities and uranium mines in Pyongsan, Hwanghae Province, and there may very well be enrichment facilities as well . Additionally, Pakchon gained increased attention after the defection of Ko Yong-hwan, a North Korean Foreign Ministry official.

In the case of South Korea, Korea Heavy Industries Corporation in Changwon manufactures the atomic power generating equipment, and Korea Electrical Technologies does the design and engineering. It is presumed that the North Korean think tank for the atomic energy system is located in Pakchon. This includes design, engineering, and the computer center. The uranium-related and chemical engineering facilities are thought to be in Pyongsan.

[Yu] The report in JANE'S INTELLIGENCE REVIEW made headlines in the domestic newspapers, but the Ministry of National Defense's Intelligence Agency clarified that there are no enrichment facilities at Pyongsan, Hwanghae Province, and that it is only a laboratory in its earliest stages.

[Yi] Several people have asked me about that. There is an opinion that there is a centrifugal separation laboratory-scale enrichment center at Pyonsan.

[Yu] Enrichment, compared to refining, is technically difficult and consumes much energy. Thus, some point out there are many limitations to such development for North Korea.

[Yi] Enrichment methods consisting of vapor diffusion need large facilities several miles long and use much power, but the centrifugal separation method uses one-seventh the energy consumption of the vapor diffusion method and needs much less land and water. Because of that, North Korea will probably select the centrifugal separation method if it tries to conduct the enrichment process. In reality, it is believed that North Korea has been interested in rust-resistant machinery and tools and that are light yet durable, which are suitable for centrifugal separation.

[Yu] Has the fact that North Korea has acquired machinery and tools related to centrifugal separation from foreign countries been detected by Western intelligence services?

[Yi] It has not been confirmed, but that kind of rumor has been around for two or three years.

[Yu] You said that they will have to conduct cold tests even if the reprocessing facilities are complete, but is there a possibility that the North Koreans, feeling its urgency, will skip steps and go directly to reprocessing?

[Yi] From a technical standpoint, I think they must, without fail, conduct the cold tests.

[Yu] In February 1992, THE WASHINGTON POST reported that North Korea used trucks to move the machinery and tools of the Yongbyon refining facilities. Are the refining facilities' machinery and tools so small and easily disassembled that they can be moved by truck?

[Yi] I do not know if they planned in the earliest stages that everything would be systemized (modulized) so that it could be easily disassembled. If they did not, however, it would be difficult to move ground facilities. Let us think about disassembling a steel bridge and moving it to a different place. Moving a large facility is not really different from building from scratch. With sea-based generating facilities—in other words, generating vessels, because they are assembled by system—it is possible to dismantle them. The problem is, if they build the reprocessing facilities underground in an area like the Hungnam Fertilizer Plant or out of the Yongbyon area, it will be nearly impossible to find it.

[Yu] The people who were deeply concerned with nuclear development during President Pak Chong-hui's era say that internal detonation tests were conducted in small laboratories in different places. Because North Korean President Kim Il-song is not stupid, it does not seem likely he would do it at Yongbyon and draw international attention to his nuclear development. Is there a possibility that the North Koreans are pushing toward nuclear development in dispersed underground facilities?

[Yi] Jay Mabu is the plant manager of a missile assembly plant in the United States. He says he receives several hundred parts from subcontractors and then assembles the missiles. The more important the facility, the more dispersed it is as a matter of course. Isn't it good sense not to put all your eggs in one basket?

[Yu] Can even enrichment techniques be developed underground?

[Yi] Development can be done adequately in complete facilities. It is a production problem. Normally, the process is in three steps: development, operation of experimental equipment, and production. Even nuclear reactors go through a four-step process before they produce on a commercial scale: research reactor, prototype reactor, test reactor, and commercial-use reactor. Since North Korean nuclear development is imminent, they very well could skip a step or two.

[Yu] Many technical barriers must be overcome in the manufacturing of nuclear weapons even if they are to extract plutonium at the refinement facilities. Internal detonation testing or making an HMX [acronym in English] detonator, which is a special detonator, is a typical barrier. I wonder if North Korea can succeed with their technology?

[Yi] They can find it easily on the international market. Even plutonium can be bought. You must realize that North Korea has a significant level of expertise in this area. Their experiences in chemical engineering are deeply rooted in the Japanese colonial period; they are currently operating the world's largest, most modern fertilizer plant. Additionally, individuals like Doctor Yi Ki-to, (former dean of Seoul Industrial College), a chemical engineering scholar who was dragged to North Korea during the Korean war, are leading the chemical engineering sector.

[Yu] For internal detonation testing, you need a high-speed camera that can take pictures as quickly as one-one millionth of a second. If this is imported as a embargoed item, will not the possibility of international exposure be high?

[Yi] High-speed cameras can be imported from Japan. They can even be bought in parts and then assembled, thus escaping observation. I wonder if an HMX detonator can be purchased in places like Germany, France, or Switzerland.

[Yu] Pits dug in the sandy plain along the Kuryong River, which wraps around the Yongbyon nuclear facilities, are presented as evidence of North Korea's internal detonation testing. Is it feasible that the North is taking measures so that internal detonation testing is undetectable?

[Yi] I feel that using the pits in the sand along the Kuryong River as evidence of internal detonation is misinformation disseminated by the United States. There have been times when tests have been disturbed because the research laboratory vibrates from the helicopters flying over our research center. If test explosions were done in the area where extremely precise tests were being conducted in an atomic power research center, it would be a large impediment to the research.

Special supports are made to dampen vibrations in a test laboratory, and, of course, test detonations could be made in that area. Also, they will have to conduct many internal detonation tests. The United States conducted about 6,600 internal detonation tests when it made its first atomic bomb. Thinking practically, I believe that they will not proceed with the development of a single weapons system at a single site.

[Yu] Concerning North Korea's development of the Scud missile, the fact that parts have been purchased from foreign countries has been revealed many times by the international observation net centered around the United States and has been reported in military technical journals and other publications. The same is probably true for nuclear development, yet such instances do not appear to have been reported.

[Yi] I do not know the precise details, but I think that the North Koreans will be conducting independent development except for very precise equipment. The North Korean military industry began before ours, and the North is regarded as having begun preparing for nuclear development 20 years ago. Rumors have been around for a long time about their buying questionable materials.

[Yu] There are several opinions about the level of North Korea's atomic technology. What do you think their level is now?

[Yi] The International Nuclear Information System (INIS) is part of the IAEA. It has treatises on North Korea's atomic energy. There is nothing suspicious in them that could be linked to nuclear development, but the basic treatises of the doctoral candidates are quite excellent. There are even summaries at the beginning of the treatises written in English that are good. Therefore, where there have been opportunities to meet North Korean scientists, we have talked about "the excellence of the Korean people." The North Koreans are very strong in science and theory.

[Yu] Even though the Yongbyon facilities are being inspected, worries are cropping up about what will be done if no suspicious equipment is found. If that happens, North Korea will launch a diplomatic offensive. The United States and South Korea will then have no choice, but to be put on the defensive.

[Yi] IAEA officials have been to the Yongbyon facilities. These people, however, have seen Soviet-built research reactors, basic research laboratories, reading rooms, and restaurants. They say they have no idea of the locations of the current suspicious facilities.

Speaking for myself, I know only the places I go to inside our research laboratory; I have no grasp of all the facilities in the laboratory. There are said to be altogether 270 facilities in the Yongbyon research group. If this is true, confirming everything will be extremely difficult.

[Yu] Isn't the United States coming out so strongly on the issue because they have strong convictions that something is there, even if they are not telling us precisely what it is?

[Yi] It is obvious that North Korea intended to achieve nuclear development, and they may have failed halfway there. If so, the intentional disclosure of the reprocessing facilities by U.S. intelligence satellites can be regarded as doubly deceitful. It is like not quitting while you are ahead in a card game, but risking it all to sweep up an even larger pot.

Taking all things into consideration, however, I do not think the United States is pushing North Korea into a corner over something the North is not even doing. Although Japan might be a different story, the United States has no need to do so. The U.S. probably has some kind of conclusive evidence.

[Yu] If North Korea is spreading a doubly deceptive policy, I assume they must have made great gains already because, in addition to the withdrawal of U.S. nuclear weapons, they even extracted President No's declaration of denuclearization.

[Yi] That is right. Thus, there is criticism that we continue making concessions without knowing the actual circumstances in North Korea and North Korea's intentions. Even if North Korea allows the IAEA inspections, the procedures are complicated. By regulation, only the facilities that have been reported by the inspection target countries can be seen.

This is similar to the term "reserves." The meaning of this word includes everything that is buried underground. In reality, though, it is used only for those things man has confirmed. In the same way, if North Korea insists they have no reserves outside of this, the IAEA inspections cannot help but encounter limitations. If the U.S. intelligence satellites cannot find the suspicious facilities, it will be difficult to discover them. There is also a problem of double entry bookkeeping. Just like a business conducting double entry bookkeeping, if the North Koreans reprocess 1,000 kg of spent fuel a day and they record that they reprocessed only 10 kg, there is no recourse.

[Yu] An open secret being discussed since last year has been a worst case scenario concerning the bombing of the Yongbyon facilities—the so-called "nuclear facilities bombing argument." Should pinpoint bombing be employed at this time, there is a question of the danger of radiation leakage. According to recent research of one research organization of the MND, it is said that if all of the facilities at Yongbyon (No. 1 and No. 2 reactors, reprocessing facilities, nuclear fuel processing facilities, and waste matter storage facilities) are completely destroyed while they are operational, the Yongbyon area radioactive pollution level [radiation level] would be 165 curie. This is 6,000 times the level of general pollution at the time of the Hiroshima atomic bombing. Radioactive fallout in an area within a radius of less than 500 km would envelop all of the Korean peninsula in ashes of death.

[Yi] The level of radioactive pollution largely depends on how much the facilities have been operating. If operations halt for even one day, the level of radiation leakage will be reduced by a like amount. The radiation leakage level at the time of the Chernobyl accident was not one-twentieth of the level predicted by scientists. The U.S. Three Mile Island accident had even lower levels. This is because although vapor radiation was spread, solid radiation, being so heavy, barely spread at all.

Neither the core of a nuclear reactor nor reprocessing facilities should ever be bombed because of the damage from escaping radiation regardless of the form. We must not destroy spent fuel that is in a meltdown state in the case of a reprocessing facility. Therefore, they must do it before the facilities are operational if they are adamant about bombing. If they must do it while the facilities are in operation, they must avoid the nuclear reactor and strike places such as surrounding electrical facilities, cooling equipment, structures, transmission lines, and control systems. Even the Israelis bombed the Iraqi Osirak reactor before spent fuel was loaded into it.

As a member of the IAEA supreme policy committee, I proposed the conclusion of an international agreement stating "no one should bomb the nuclear facilities of any country that is a signatory to the IAEA Safeguards Act and is undergoing inspection." During a break, an IAEA safeguards authority cross-examined me, asking: "Does your proposal mean that the facilities of nonsignatories of the safety measures inspections—that is, North Korean facilities—should be bombed?"

I said: "No. I was only saying that we should keep in mind the international agreements on the prevention of attacks on nuclear facilities." With these kinds of ramifications, I think that there would be better results from either an economic blockade or diplomatic pressure against North Korea instead of using military force.

[Yu] Can concrete data be produced giving the amount of radioactive leakage that would occur if the Yongbyon facilities were bombed?

[Yi] Gas is the concern in the event of radiation leakage. Because the material from spent fuel is extremely heavy, it will spread only in the immediate area, even if it were bombed. Although concrete data is difficult to gather, the MND believes that there would be considerably less damage than is estimated in a worst case scenario.

[Yu] I can envision three scenarios in the event of a bombing operation: combined ROK-U.S. Forces, ROK independent operations, and U.S. independent operations. Let us discuss the most desirable scenario. As far as bombing goes, the primary means being discussed are the U.S. Stealth bomber, the Tomahawk missile, and the cruise missile.

[Yi] As an outsider, I am not qualified to argue pro or con, but it seems there is a danger of being attacked by North Korean antiaircraft fire. Additionally, I feel that guidance from manmade satellites will be needed all the way to the Yongbyon facility. We are currently evading the issue, but the United States is suggesting that we attack. I think it would be advantageous for us to pretend that we cannot win an argument with the United Sstates and do as they tell us. Even so, the North Koreans are our brothers, and how can we as leaders strike our own kin?

We have to do whatever we can to block an outbreak of war. Even if precision bombing is limited, we need full-scale diplomatic power in behind-the-scenes negotiations in order to avoid the repercussions of an all-out war. The possibilities, however, of the Soviet Union and China helping North Korea, as they did during the Korean war, are small. Because North Korea's supply materials and reserve stocks will last no more than two weeks to a month, if the UN denounces the North's actions—unlike Iraq, which was sent support from other Muslim nations—the North will have no alternative.

[Yu] During the 1991 Gulf war, there were reports that the United States attacked and destroyed Iraq's nuclear reactors. Was there a danger of leaking radiation?

[Yi] I think those were false reports. If the United States had attacked the reactor, there would have been some type of report afterwards, and it seems that absolutely nothing was mentioned. There was no reason to bomb, and if they had bombed the reactor, they are really bad people.

[Yu] Concerning President No's November 1991 announcement proclaiming denuclearization and on giving up enrichment and reprocessing facilities and technical possessions, there are quite a few atomic power scientists who claim that more concessions are needed. Even for peaceful objectives, enrichment and reprocessing technologies are economically, scientifically, and technically necessary.

[Yi] President No's declaration is not without extremes. Concerning the development of enrichment and reprocessing facilities, however, it is necessary to try again to do a profit-loss estimate that is sensitive both domestically and internationally. Because of the surplus of enriched uranium, it is currently very inexpensive. The market has become one in which consumers can pick and choose merchandise as they like. Additionally, with the Bush- Gorbachev tactical nuclear weapon reduction agreement, about 400,000 tons of refined uranium for military use are predicted to add to the supply available for public use.

If you add the 150,000 tons of enriched uranium that has hit the Western markets, the entire predicted amount available will be 550,000 tons, which is sufficient for the entire world to use for 20 years. Because of this, as long as they do not develop an extremely inexpensive enrichment process, it will not be economical.

Plutonium, as a nuclear fission nuclide similar to enriched uranium, is extremely toxic and thus less preferable than enriched uranium. These two are as similar as the relationship between chicken and pork: If you do not sell chicken, there is still a reason to sell pork. Accordingly, although it is regretful that this announcement was made without consulting the Ministry of Science and Technology, it is not an urgent issue because of the factors described above. If you ask the Korean peoples to choose between reprocessing and reunification, everyone will select reunification.

For example, if either East or West Germany had had nuclear weapons, reunification would have been impossible. I had a chance to visit the (Bakastroff) reprocessing plant in West Germany shortly before German reunification. A few months later I found the plant closed, and the time the plant was closed was about the time when Germany was reunified. West Germany closed the reprocessing plant in order to have France and Britain do its reprocessing, despite the fact that reprocessing in West Germany was economically feasible. I thought West Germany closed this reprocessing plant in consideration of reunification. My supposition is that if West Germany had had sensitive facilities of this magnitude, the neighboring nations would not have allowed reunification. Therefore, in order for us to achieve the grand goal of national reunification, we may as well not possess reprocessing facilities and technology for the time being, and I think the North should also immediately stop reprocessing.

[Yu] Some international political scientists assert that in view of the current grim international political situation, we also must possess nuclear weapons manufacturing capability (nuclear option) [prededing two words in English]. They think that if we possess this capability, we will be able to have a voice in dealing with neighboring major powers after reunification.

[Yi] I see that as somewhat naive thinking. In order to develop nuclear weapons, the country that wishes to do so must be in a position to receive relatively little pressure from foreign countries, with relatively little dependence on international trade for its economy, and little pressure by force of arms from foreign countries. Thus, Foreign Minister Huang of China, which had little dependence on international trade, was in a position to state: "We will develop nuclear weapons even if we have to go in rags." As for our country, if we do not export, we are helpless, we are incapable of doing anything, and we cannot sustain ourselves. I am led to suspect that those who advocate nuclear weapons development are overlooking the consequences of diplomatic, trade, and armed pressure on us because of that.

[Yu] It seems that the assertion of those who believe we should possess nuclear weapon capability is not that we should possess nuclear weapons, but that we should have the ability to complete the spent fuel cycle which includes enrichment and reprocessing technologies.

[Yi] We must follow Japan and Germany's methods. We must not choose the Indian style of thoughtless pursuit. Balanced and thorough development of each technology needed to complete the fuel cycle is desirable. If, however, in these sensitive times, they make a clamor about it when they cannot even do it, misunderstandings will result. When a sensible, learned man spends time under a pear tree he does not retie his hat or adjust the fit of it [men of the Yangban or upper class used to wear hats made of bamboo or horse hair; adjusting or retying the hat under a pear tree would raise suspicions that he was trying to steal some pears]. Retying his hat is work that should be done after he has gone home, that is, after reunification.

President Syngman Rhee's doctoral dissertation at Princeton University in 1913 was entitled "Neutrality Influenced by the United States of America" [preceding title in English]. I was deeply impressed with this dissertation and felt that President Rhee was setting neutrality as the course of our people.

Neutrality must include the capability of self-defense; however, it must not cross the limits of self-defense and include the possession of hostile weapons such as nuclear weapons. It was possible for China, since they had little foreign dependence. India, however, finally crossed the nuclear threshold after being held up for a while. The superpowers either tacitly approved or secretly cooperated concerning Israel's nuclear weapon development. In our case, however, they opposed it. Even Israel, if they tried to do it now, would have difficulty.

[Yu] How do you think we should respond to the approaching urgent situation surrounding the Korean peninsula concerning North Korea's nuclear weapon development?

[Yi] It has been decreed that war should never break out and that something like an economic blockade would have positive results. Because even North Korean technocrats and influential persons within the military have received education overseas, they will make intelligent judgments. I think the Kim Il-song system will crumble someday, and I wonder if in the future the fundamental issue will be our morality, economy, and technological developments.

I went to the former Soviet Union not long ago and it was terribly poor. According to foreign diplomats there now, because the "Mafia," consisting of former party leaders, have twisted the economic and distribution structures, even automobile engine oil demands $100—20 months' pay. If one receive assistance from these "Mafia-types," one can travel abroad as one desires. The middle class with a high technology must be very steady and must establish a moral society. Many Korean people have been embarrassed after going to Manchuria, Eastern Europe, and the Soviet Union. I am worried that after reunification, our brothers from North Korea will be severely disappointed by the attitudes of the South Korean people.

Chong Won-sik Proposes Seminar on Japan to North

SK2506084892 Seoul KBS-1 Radio Network in Korean 0800 GMT 25 Jun 92

[Text] Prime Minister Chong Won-sik, head of the South-North high-level talks, sent a letter to North Korean Premier Yon Hyong-muk on 25 June giving his opinion that an academic seminar of South-North historians would be appropriate for the joint examination of distortions in the Ulsa Treaty and the Chongmi Seven-Point Treaty.

Prime Minister Chong emphasized that jointly examining and studying the South and North's dark past should be carried out from the level of fulfilling and abiding by the South-North basic agreement. He also said that this will be a first step in restoring the nation's homogeneity and creating unity.

Prime Minister Chong said that the annexed agreement on exchange and cooperation must be agreed upon as soon as possible so that work can be done to assist the Joint Committee for Exchange and Cooperation in holding academic seminars in social and cultural fields.

Through the chairman of the Korean Academic Society of History, North Korea had proposed on 24 June a

South-North historians' meeting to correct the history distorted by the Japanese imperialists.

Media Comment on Recent Red Cross Contact

Sense of 'Dismay', 'Frustration'

SK2406024692 Seoul THE KOREA HERALD in English 24 Jun 92 p 6

[Editorial: "Deadlocked Red Cross Talks"]

[Text] The failure of the latest inter-Korea Red Cross contacts to further expedite the much-awaited cross-border home visits and art troupe exchanges once again brought a sense of dismay and frustration to tens of millions of Koreans on both sides of the demilitarized zone (DMZ). Indeed, they are one in wishing for family reunions, even though they are physically and ideologically separated as a result of the partition of the Peninsula.

The reunion of dispersed families bears a unique meaning for the Korean people because of the homogeneity that has bound them together for centuries. Expanding the opportunities for more Koreans to visit their hometowns on the other side of the DMZ, therefore, should prove to be one of the surest ways to ease the distrust accumulated in both divided halves over the years. How to help alleviate the human anguish of family separation has always been a priority of the Seoul government as well as the South Korean Red Cross.

It is out of this humanitarianism that the Seoul Red Cross has pursued its latest working-level contracts with its North Korean counterpart, often making concessions even to the seemingly impossible proposals of Pyongyang. But, in a sudden reversal of attitude Monday, North Korea strongly indicated that the hometown visit program by elderly citizens could go sour, citing the South Korean position of trying to link inter-Korea projects with bilateral nuclear inspections.

This is an apparent bid to scuttle the Red Cross talks, all the while feigning interest in a negotiated settlement for reducing tensions and making mutual accommodations. Only earlier this month Pyongyang agreed to go ahead with the family reunion program after stalling under one excuse after another.

We are quite at loss how to interpret North Korea's almost neurotic irritation at the South Korean demand for the bilateral checkup of suspected nuclear sites. If Pyongyang truly has nothing to hide from the outside world, no ulterior motives, nor shady facilities, as it claims, it has no reason to be so jumpy about the Seoul call for mutual inspections. After all, North Korea is obliged to implement the mutual inspection in accordance with a bilateral pact reached with Seoul.

We often wonder if North Korea came to the Red Cross talks only half-heartedly for the sake of merely saving face in the eyes of the world. It is time that North Korea shed its parochial attitude and responded affirmatively to the Seoul offer to jointly alleviate the agonies of the separated families. No preconditions will be acceptable in turning a deaf ear to call of the entire Korean people for family reunion. Pyongyang should return to the conference table as soon as possible after undergoing a fresh and earnest change of heart and mind. The humanitarian imperative and the order of time dictate that they do so.

North Threat 'a Surprise'

SK2406030792 Seoul THE KOREA TIMES in English 24 Jun 92 p 6

[Editorial: "Threats to Exchange Visits"]

[Text] The exchange visits of dispersed family members in South and North Korea have been promoted as the foremost project of all the inter-Korean programs, as they are designed to relieve the agony of relatives divided for more than four decades.

So North Korea's threat to break the mutual agreement on the project came as a surprise. At the third working-level meeting of Red Cross officials held at the truce village of Panmunjom Monday, the Pyongyang side warned that if the South sticks to its anti-Pyongyang policy, the project would not be realized.

The North Korean officials took issue with the Seoul government's repeated position that unless South-North bilateral nuclear inspections are implemented, the North can hardly expect improvements in inter-Korean relations, and especially in economic exchanges and cooperation.

The two sides have so far promoted the humanitarian project before all other inter-Korean contacts. In fact, the two sides earlier agreed to push ahead with the hometown visit program irrespective of progress in inter-Korean talks in other areas.

Seoul's call for the mutual South-North nuclear inspections, which would go further than the international Atomic Energy Agency (IAEA)'s, follows an inter-Korean accord made in South-North high- level talks to work out provisions governing the mutual nuclear inspection in May ahead of actual implementation in June.

Pyongyang may have accepted the mutual visit program out of a need to promote economic exchanges. Personnel exchanges is certainly an impalatable project for the North which is reluctant to allow its tightly-controlled people access to the outside world, and the prosperous South in particular.

The North's implementation of the hometown visit program in the absence of the South's economic favors will represent a loss for it. However, the decision has been made and the North is sure to be held responsible for the rupture of the pan-national project if it does not run its course.

It is premature to predict that the visits will not take place, as the North will sense the negative reaction both at home and abroad. In this situation, Pyongyang's threat can be interpreted as a tactic to strengthen its position in its negotiations with the South.

Meanwhile, Seoul can provide it some face-saving favors to assuage the North's misgivings, keeping up the ongoing economic exchanges or increasing them to a limited extent, while nonetheless holding to the basic position of linking the mutual nuclear inspection to increased economic cooperation as a whole.

Opposition Parties Oppose Election Postponement

SK2506052992 Seoul THE KOREA TIMES in English 25 Jun 92 p 2

[Text] Opposition parties yesterday reaffirmed their objections to a ruling camp bid to delay elections for the heads of local administrations and renewed their demand for the holding of the elections no later than the year-end presidential vote.

Floor leaders Yi Chol of the Democratic Party [DP] and Kim Chong-nam of the Unification National Party [UNP] also agreed to maintain cooperation between the two opposition groups, they said at the end of a one-hour discussion at a National Assembly office.

Their agreement is expected to be confirmed in a meeting of their bosses, Kim Tae-chung of the main opposition DP and Chong Chu-yong of the UNP today.

It will be Chong's first formal meeting with a top political leader since he jumped into politics. His party emerged as a third party in the new Assembly which is likely to open on Monday.

Chong, who recently signalled a departure from cooperation with the major opposition party and a gradual approach to the government party with regard to the local election timetable to enhance his political stature, ordered his floor leader to concede to the DP's ideas apparently to arrange the meeting which he proposed on Monday.

In a rare initiative, the UNP chairman proposed separate talks with Kim Tae-chung and Kim Yong-sam, executive chairman of the ruling Democratic Liberal Party [DLP], taking a flexible attitude toward a DLP-proposed delay of the elections to which the DP has strongly opposed.

Kim Tae-chung had remained reluctant to agree to Chong's proposal for a talk till the UNP vowed again to side with the DP in opposing the election postponement.

The opposition floor leaders further decided to present an Assembly resolution bill for the holding of the local autonomy elections this year as soon as the 14th legislature opens.

Opposition lawmakers will boycott the formation of Assembly standing committees unless the DLP agrees to their plan to handle the bill first ahead of other agenda items at the inaugural session.

Under the current law, the DLP cannot make a motion to delay the elections without the formation of the House panels. The No Tae-u administration presented a bill for the delay early this month and the DLP is poised to railroad it through by dint of its majority force.

Kim Tae-chung, Chong Chu-yong Agree To Cooperate

SK2506101992 Seoul YONHAP in English 0916 GMT 25 Jun 92

[Text] Seoul, June 25 (YONHAP)—Opposition leaders Kim Tae-chung of the Democratic Party and Chong Chu-yong of the Unification National Party have agreed to attend the opening ceremony of the 14th National Assembly June 29 and cooperate in realizing local elections this year.

After an hour-long meeting, which was attended by their secretary-generals and chief policy-makers, the two produced a nine- point agreement that says they decided to be seated at the opening ceremony to observe the law, although the ruling Democratic Liberal Party's [DLP] unilateral calling for the opening was unjust.

They showed a firm resolution to realize elections for mayors and provincial governors this year, saying that they would draw up an amendment on local autonomy and submit it after forming the National Assembly leadership.

They decided to reject the parliamentary timetable set forth by the ruling party, including the election of committee chairmen, as part of an in-parliament struggle unless the DLP agreed to hold the mayoral and gubernatorial elections this year, a spokesman said.

The house was likely to limp along for a considerable time unless an agreement on the local elections between the ruling and opposition parties was forthcoming, he said.

They also agreed to exert all their efforts for amending the presidential election law, redressing relevant laws to prevent election-rigging and setting up special committees on the legislation of politics-related laws and their amendment.

The two opposition leaders said they had made up their minds to cooperate with each other to ensure a fair presidential election and to jointly endeavor to solve social and economic problems.

"Ruling party presidential candidate Kim Yong-sam should give up the politics of schemes and stop sullying the atmosphere in political circles," the agreement said.

Kim Tae-chung's Economic Plans Analyzed

SK2506042892 Seoul HANGUK ILBO in Korean 21 Jun 92 p 5

[Article by reporter Hwang Yong-sik from a series entitled: "Economic Views of 'Candidates of the Three Parties'"]

[Text] Whenever he speaks, Democratic Party President Kim Tae-chung says: "I have prepared for leading a ruling party throughout my years in the opposition."

Whenever he says this, he does not forget to mention that he has also thought of how to solve economic problems.

He is believed to have studied more economic theory than any other politician.

The fact that economic problems are the most urgent issue at present is why he expresses his "confidence in a victory in the presidential election." As if he had Unification National Party President Chong Chu-yong in mind, Kim Tae-chung cites the fact that he was a successful businessman when he was young. He also stresses that he is good not only at economic theory, but also at economic practice.

President Kim's economic view focuses on harmonizing the market economy principle and the principle of economic justice.

This is particularly shown in his emphasis on small and medium-size enterprises, labor-management cooperation, and the real-name bank account system. He favors the division of roles between large enterprises and small and medium-size enterprises: large enterprises should give priority to capital- and technology-intensive fields; small and medium-size enterprises, which are easy to adjust, should give priority to the production of consumer goods and other fields of the manufacturing industry. He insists that flexible small and medium-size enterprises, rather than large enterprises, must become a major player in the global economic war, because the era of enterprises mass producing a few kinds of goods is gone and because the era of enterprises producing many kinds of goods on a small quantity has come.

He insists that toward that end, the government must help small and medium-size enterprises ease their financial difficulties by making credit loans and loans against security to them through the Korea Credit Guarantee Fund and other financial institutions and must ease their difficulties in locating personnel by positively training technicians. He also insists that guaranteeing the survival of small and medium-size enterprises is not only an efficient way to help them improve their competitiveness, but also a way to achieve economic justice intended to help the weak.

He promises that he will implement the real-name bank account system within one year after his inauguration to eradicate the massive underground economy, which runs luxury and consumption industries, and to sever ties between political and economic circles.

As for labor-management relations, he favors a plan for management to pay labor more and for labor to produce more goods of better quality in return. He believes that neither management nor labor must request more than it deserves and that enterprises must abandon their anachronistic illusion over low wages and make efforts to pay the workers more by earning more.

President Kim considers prices to be a priority task. He thinks that it is possible to reduce price increases to 3 percent a year, the increase rate of advanced countries, by giving independence to the central bank, which will independently regulate the flow of money; by curtailing the national budget and efficiently using it and, thus, reducing financial expenditures; and by positively conducting a campaign to directly distribute goods to consumers.

Meanwhile, regarding agriculture, he thinks that rice imports must be banned to the end and that the state must subsidize agriculture. He also favors the natural decrease of the agricultural population and still favors the building of more cultural facilities in rural areas to ensure that the "agricultural population decreases," but the "population in rural areas increases."

Kim Yong-sam's Recent Election Activities Viewed

Urges North To Accept Inspections

SK2406022992 Seoul YONHAP in English 0211 GMT 24 Jun 92

[Text] Seoul, June 24 (YONHAP)—Kim Yong-sam, the presidential candidate of the ruling Democratic Liberal Party (DLP), said Wednesday that North Korea should accept the mutual nuclear inspections with South Korea and additional inspections by the International Atomic Energy Agency (IAEA).

"North Korea, by accepting the challenge inspection, should answer to the call to regularize and systematize nuclear verifications," Kim told a meeting of Songbaekhoe, a fraternity of retired generals and admirals at a Seoul hotel.

Noting that North Korea's nuclear technologies were on a dangerous level, he said South Korea should work out plans to promote mutual cooperation for nuclear safety and peaceful use of atomic energy.

"We can't expect any improvement in inter-Korean relations as long as the nuclear issue is not resolved. We should induce North Korea's change with greater perseverance even if the inter-Korean relations turns sour in the days ahead," Kim said.

Seeks 'To Expand' Military Ties

SK2506044192 Seoul THE KOREA TIMES in English 25 Jun 92 p 2

[From the "Press Pocket" column entitled: "Meeting With Brass"]

[Text] Kim Yong-sam, executive chairman and the presidential nominee of the ruling Democratic Liberal Party [DLP], is seeking to expand the belt of mutual understanding especially with the military.

He yesterday met a group of about 300 retired generals and admirals belonging to the fraternity club, Songbakhoe, led by Kim Pok-tong, former three-star general and a brother-in-law of President No Tae-u's.

As a guest speaker to the meeting at the Ramada Renaissance Hotel, Kim stressed the need for a "strong government and strong leadership" for economic and political stability.

Kim noted, "The regional antagonism prevailing in society should be dissolved peacefully and the conflicts between social classes and generations should be surmounted through the realization of social justice."

In his speech, he called upon North Korea to accept mutual nuclear inspections with South Korea and additional inspections by the International Atomic Energy Agency (IAEA).

Economic Policies Analyzed

SK2406091692 Seoul HANGUK ILBO in Korean 21 Jun 92 p 5

[Article by reporter Yu Song-sik from a series entitled: "Economic Views of 'Candidates of the Three Parties'"]

[Text] Kim Yong-sam, executive chairman of the Democratic Liberal Party [DLP], considers leadership and economic vision to be two focal points in the upcoming presidential election. As a result, he has made every effort toward that direction by regularly receiving "tutorship." This is because resolving the economic crisis has been the state's top priority for the past two years, because other candidates insist they have advantages over him in economic affairs, and because, as a result, he must present systematic economic ideas to the people.

During his campaign to win the party's nomination for the presidential election, Executive Chairman Kim repeatedly expressed his will to "devote myself to achieving a second economic leap with the same fervor I had in my devotion to achieving democracy for the past 30 years."

Executive Chairman Kim's people rebut the opposition parties' contention that "Executive Chairman Kim does not know economics." They insist a president who runs the national economy does not need specific economic indicators, but a sound "economic philosophy" that responds to the era's demand and a strong "driving force."

They also insist that opposition candidates' economic theories may make the mistake of "being unable to see the forest for the trees" by going along with the current way of things.

Therefore, Kim Yong-sam focuses on overall economic policies for achieving economic democracy and an economic revival, rather than specific economic policies.

Executive Chairman Kim's economic plan, composed of "three basic goals" and "seven implementation measures," is the result of one month's work with a 20-member economic advisory team that includes Han I-hon, Kim's economic adviser; DLP lawmaker Yi Myong-pak; former DLP lawmaker Han Sung-chu; and Pak Chae-yun, professor of Seoul National University and Kim's special economic adviser.

First of all, Executive Chairman Kim considers economic democracy, price stability, and economic justice to be the three most urgent tasks.

Simply put, he calls for curtailing governmental restrictions on and interventions in economic activities, reinvigorating the civilian economy, improving international competitiveness by achieving price stability, and promoting an atmosphere of national harmony by removing sources of unearned income.

Also, some of the seven important implementation measures are stabilizing prices to three percent a year in two years; running up surpluses in the international current account in two years; and increasing per capita GNP to $15,000 by the end of his term if elected.

Executive Chairman Kim says he prefers the real-name bank account system. He says how and when to adopt this system, however, must be decided in ways to minimize the economic impact. Meanwhile, Democratic Party President Kim Tae-chung says he would adopt this system within one year after he is sworn in, and Unification National Party President Chong Chu-yong says he would do so right after his inauguration.

Referring to measures to prevent sources of unearned income, Executive Chairman Kim says he would formulate a strong law to introduce the concept of public ownership of land. He also expresses his firm will to "eradicate land speculation by all means."

Kim Yong-sam Slated as Next Party President

SK2406064192 Seoul YONHAP in English 0520 GMT 24 Jun 92

[Text] Seoul, June 24 (YONHAP)—The ruling Democratic Liberal Party (DLP) is likely to elect its executive chairman Kim Yong-sam as party president in late August or early September, party sources said Wednesday.

It plans to promote co-chairmen Kim Chong-pil and Pak Tae-chun to executive chairmen, taking Kim Yong-sam's current post, the sources said.

"President No Tae-u and executive chairman Kim recently discussed reshaping of party leadership and neared an agreement that No will hand over the party presidency to Kim before the presidential election," according to one source.

"Inner work is under way to open a standing committee meeting late August or early September to elect Kim to party presidency," he said.

Kim is DLP's presidential nominee.

Party restructuring includes the appointment of five to eight chairmen to incorporate more senior party members and those from Cholla provinces. Likeliest candidates for the chairmanship are Reps. Kim Yun-hwan, Yi Chun-ku, Yi Han-tong and Choe Hyong-u, the sources said.

"The party strategy is that the two co-chairmen must take the lead and the senior members be given more working power to earn votes in winning the presidential election," said the source.

Kim Yong-sam is most likely to appoint Kim Chong-pil and Pak Tae- chun as chiefs of presidential election management committee, the sources said.

* Interview With Presidential Candidate Chong

922C0172A Seoul CHUGAN MAEGYONG in Korean 17 May 92 pp 57-62

[Interview with Unification National Party (UNP) founder and presidential candidate Chong Chu-yong by unidentified CHUGAN MAEGYONG reporter; place and date not given]

[Text] Chong Chu-yong has lived an ambitious life for the past 60 or more years since he began working as a delivery boy for a rice merchant. Chosen at last as a presidential candidate by his political party, he is now dashing headlong in the race for the presidency by demonstrating his unique ability to break through obstacles. CHUGAN MAEGYONG has interviewed him regarding his aspiration as a presidential candidate and his economic views.

[CHUGAN MAEGYONG] You look healthier now than when you were elected as chairman of the Federation of Korean Industries [FKI] 15 years ago. Your title has undergone changes from FKI chairman to representative of the Unification National Party [UNP] to presidential candidate. Are you confident that you are going to win the presidential race?

[Chong] Before a general election, all candidates, even the losers, say they will win. I thinks that is the way of politics.... In my view, the candidate who comes up with plans, which will meet the expectations of the public, is going to win the election. In this sense, I believe I will win if I do my best.

[CHUGAN MAEGYONG] Some people feel that you can read the minds of those people who have an aversion to the two Kims, who they believe have led politics to the brink of catastrophe.

[Chong] I am not talking with some vague expectation. Think of the last presidential election. Two Kims and No Tae-u were in the race, and the public chose No Tae-u as president because they thought him the best of the three. But the five years of his presidency has been far from satisfactory. It is obvious that if either of the two who fall behind President No should run and get elected, things would be no better than they have been under the Sixth Republic. Do you think the public will forget the past and elect either of the two Kims? In my opinion, the dragon which flies straight to the royal throne in one swoop can gain the kingdom; if not, the dragon will just turn into a python. Do you think the public will support the unsuccessful python if it wants to try again?

[CHUGAN MAEGYONG] Presidential quality has become a frequent subject of public discussion. The cardinal goals of politics being to feed, clothe, and shelter the people well, the criterion of the presidential quality boils down to an ability to deal with economic issues. For this reason, a keen economic sense is regarded as the first and foremost requisite in the presidential quality. In this regard, I presume you get quite a high mark.

[Chong] The presidential aspirants are talking about the importance of the economy, are they not? I think this is a very good phenomenon.

Kim Tae-chung is bragging that he studied economics at Harvard. He does not say that I have little knowledge of economics. But he seems to be trying to take me down a peg or two when he says that running an entrepreneurial economy is different from running the national economy. As for Kim Yong-sam, I once chuckled at a political cartoon about him.

At any rate the mounting public interest in the issue of the presidential quality and economic views is a welcome sign.

[CHUGAN MAEGYONG] Some people estimate the number of solid votes in your favor at 3.2 million. This estimate is based on the number of people in the households of the employees of the firms affiliated with the Hyundai Group.

[Chong] That estimate is wrong. Once one of the three Kims said that he would be elected if all Kims in the country would vote for him. The presidential post is for doing very important things, and I am not in the race with such a personal thing in mind. I am steeped in the thought of what I should do to meet the expectation of the public. Everyone claims that he will meet the expectation of the public, but people will cast their votes on the basis of their judgment as to who has the power of execution.

[CHUGAN MAEGYONG] It has been seven months since you entered the political arena. Have you ever regretted your entry into politics?

[Chong] I never did. I took up politics with the determination to retire only after having improved things in this country. I shall not retire before things have improved in the country; I will continue to dash forward through frontal attack.

[CHUGAN MAEGYONG] As a matter of fact, the public has an acute aversion to politics. In your opinion, what has brought about the present state of politics?

[Chong] Until now politicians have played politics by using stratagem or artifice as a weapon. This, I think, has disappointed the public. It is my belief that one sincerity is better than a thousand stratagems. In my opinion, only those politicians who act with sincerity are capable of setting the country right. Now the public is so awakened that no one can rule the country by stratagem. In this sense, I am confident that the UNP will emerge victorious in the coming presidential election.

[CHUGAN MAEGYONG] It is distressing for many people to feel that you are gradually falling into the pervasive political maladies in our country.

[Chong] I loathe and abhor political stratagem. Suppose I learned political trickery and play politics by using tricks, that would warrant such distressed feelings. Inasmuch as I abhor political stratagem or artifice, I cannot be tainted with the chronic political diseases which the public hates so much.

[CHUGAN MAEGYONG] Many people regard the UNP as a political party, which has come into being for the purpose of promoting economic reconstruction.

[CHONG] Economic reconstruction is one of the reasons, but it is not the only reason. The UNP has come into being because every aspect of our national life is not going right.

The next five years will be really important. If the people who are running the DLP should be given the reins of government for another five years, it would cause mountains of hardship to the country and our people would have to give up forever their hope of becoming an advanced country. With the thought that this important period should not be left to the DLP, I determined to enter politics and organized the UNP.

[CHUGAN MAEGYONG] Your image as reflected in the public mind is that of an entrepreneur who succeeded in life by running business like a "bulldozer." People get the impression that you are maintaining the same bulldozer style of modus operandi in politics as well.

[Chong] I am not doing things only with conviction, without detailed planning. Conviction is generated when you work out a careful plan and feel sure that it will work. With this conviction, I ran my business, and I think I am conducting politics in the same way. Do you not think it will do if you have a plan, a way of putting it into execution, and the conviction that it will work?

[CHUGAN MAEGYONG] Given the difficult state of the economy, some people maintain that a strong government like the Third Republic should emerge to rekindle economic development. They hold the view that the candidate Chong, who has a strong thrusting power, should become president to promote economic development on the initiative of the government, through a development-oriented dictatorship, for instance.

[Chong] The time when the government led the economy in the van is gone. Now is the time when the economy should be left to the self-regulatory function of the private sector.

In the past I myself served as the chairman of the FKI for 10 years. As you know, the FKI is a gathering of business rivals, a group of political enemies, to use a political metaphor.

If I had practiced dictatorship in those days, do you think Yi Pyong-chol would have followed my lead? Would Mr Kim UK-chung and Mr Ku Cha-kyong have followed my lead? While serving as the FKI chairman for 10 years, I had never practiced dictatorship, nor did I put issues to a vote. I handled things by drawing forth consensus.

These gentlemen all won the election by their own ability while leading their political parties. Do you think they would have followed my lead if I had practiced dictatorship?

[CHUGAN MAEGYONG] You have said that if you are elected president, you will open the era of a $20,000 income during your tenure. To achieve this goal, the country will have to attain a super growth rate by risking various side-effects such as inflation. You also promised that you will achieve a $30-billion surplus in the balance of international payments in three years. Experts point out that these two pledges do not square with each other as far as economic logic is concerned.

[Chong] When a handful of government officials work out a policy and carry it through by coercion, it is bound to have side-effects. On the contrary, if the whole nation pools its efforts, there will be no side effect. In the past, big corporations posed problems by playing the role of a locomotive engine for growth. But, in my opinion, if small and medium businesses and small and medium entrepreneurs pool their efforts, there will be no problem. Do you not think people will do their best in whatever undertaking if that benefits their businesses?

What is more, the UNP plans to assign the role of a locomotive engine to small and medium enterprises if it comes to power.

I want to hasten the advent of the era of a $30-billion surplus in order to usher in the era of a $20,000 income. To do this, we have to upgrade our international competitiveness, and in this endeavor high interest rates pose as the greatest obstacle. Interest rates must be brought down drastically. With the interest rates in our country many times higher than the interest rates in advanced countries, such as Japan and the United States, who are our competitors, how can we expect to win in the competition with them?

Banks must make loans on credit alone, without collaterals. The government is clamoring that it will privatize banking operations, but banks have become the private coffers of the party in power. Banks should be free to determine credit ratings and lend money on the basis of these ratings. Let me repeat that if our party comes into power, it will surely usher in the era of a $20,000 income in five years.

[CHUGAN MAEGYONG] These days the business community is in a tense atmosphere over your advocacy for the dissolution of business groups.

[Chong] That is nothing new. Nor is it a statement made for grandstanding. When I was the FKI chairman, I entertained the view that business groups should be disbanded.

The government created business groups by transcending the Commercial Code for the effective control of businesses. Each group has 30 to 40 companies. Business groups were organized because it was difficult to control individual companies separately . Enterprises can have their vitality when they are freed from government control. In achieving this, there is no other way than dissolving business groups. The consolidation of many companies into business groups also paved the way for these groups to expand into the realms of small and medium enterprises like the legs of an octopus, compounding economic difficulties. This is why I advocated specialization.

[CHUGAN MAEGYONG] Seeing you come out with the "doctrine of disbanding business groups," many speculate that by the same token, you will push for the separation of the management of business groups from their ownership. What is your opinion of the issue of separating management from ownership as viewed from the standpoint of improving our international competitiveness?

[Chong] I agree with the idea that management should be separated from ownership in principle. It seems that at present the general tendency is toward separation of ownership and management. I am against any move to arbitrarily push for the separation by applying the principle of separation indiscriminately, however.

The question is not who the owner is, but how the business is managed. Irrespective of the ownership, it is important for management to lead the business in the best direction with the consciousness of being the master. It is not desirable for the government to meddle unnecessarily.

The idea that business is best managed only when ownership and management are separated does not hold water. Do you not see that Ford of the United States and Toyota of Japan stand tall as world-class corporations despite their unseparated management and ownership? I never heard that these corporations are harmful to their national economies.

[CHUGAN MAEGYONG] You said you were seeking election to the presidency for the purpose of making ours a better society to live in. To this end, a policy of income redistribution seems most important.

[Chong] I am considering utilizing the system of taxation. Needless to say, a progressive taxation is currently in effect, but it is incapable of realizing a society in which everyone is well off.

I will see to it that income redistribution is realized by lowering tax rates for have-nots and levying higher taxes on haves.

Currently, high interest rates are aggravating the gap between the rich and the poor. Banks, in particular, are the principal culprits responsible for the phenomenon of the rich getting richer and the poor getting poorer. I will realize a society in which everyone is well off through a bold reform of the financial policy while pursuing a new taxation policy. As I said earlier, through an accelerated progressive taxation I will bring up the per capita GNP to $20,000 in five years after I come into power.

[CHUGAN MAEGYONG] You have said you will build a society in which everyone is well off through the implementation of a progressive taxation. I take your statement to mean that there should be no alienated class if economic development is to be achieved by pooling the efforts of all individual citizens.

By the same token, do you not think it necessary to narrow the gap between the rich and poor by tightening up the inheritance and gift taxes and thus preventing wealth from being bequeathed from generation to generation?

[Chong] The effective rate of the inheritance tax in our country is 70 percent, almost as high as in advanced countries. If the current inheritance tax continues, there will be no wealth left to be inherited after a passage of three generations.

If the inheritance tax is set too high, there is the possibility that it will dampen the desire to accumulate wealth. True, our inheritance and gift tax rates are considerably high. But they have holes which allow tax evasion through the reduction and exemption provisions. I will plug up these holes completely.

[CHUGAN MAEGYONG] As I understand, in the last election you drew a favorable reaction to your pledge to make the exchange rate reflect the economic fundamentals.

But in your answers to the questions in the recent CHUGAN MAEGYONG survey on the economic views of the new contenders in the presidential race, you made it clear that you are against the devaluation of the won currency. Which is your pet theory?

[Chong] It is my cherished economic view that all economic policies should be based on the market mechanism. The issue of the exchange rate is no exception. I believe the exchange rate, like interest rates, should be determined by the workings of the market mechanism. I am against an arbitrary exchange policy.

[CHUGAN MAEGYONG] In the same CHUGAN MAEGYONG survey, you said you are against opening the rice market. Yet you expressed opposition to the requirement for rice prices to be subject to National Assembly consent.

[Chong] Fully liberalizing the rice market without guaranteeing the farmers' right to survival is problematic. Opening of the rice market is inconceivable before we assure the farmers an adequate increase in their real income by mobilizing all available manpower and material resources. From the standpoint of protecting the interests of the farmers, I am against opening the rice market; but I am of the opinion that there is no need to subject the setting of rice prices to the consent of the National Assembly.

[CHUGAN MAEGYONG] In the recent survey on economic views, you said it is urgent to realize the self-regulation of financial institutions. Yet, you said you will see that from the standpoint of revitalizing small and medium enterprises, the amount of their loans will be increased so as to account for a greater portion of the total loans of financial institutions. In one breath you say you will push for the self-regulation of financial institutions, and in another you say you will control the percentage of loans for small and medium enterprises to the total loans of financial institutions. Is this not a contradiction?

[Chong] It seems that no one is against making the idea of financial liberalization, including the self-regulation of financial institutions, take root as soon as possible. Financial liberalization means insuring financial institutions the right to choose their own personnel and strengthen their loan application screening function.

If support for small and medium enterprises means that banks should lend money unconditionally to insolvent small and medium enterprises, to be sure, such support clearly runs counter to the self-regulation of financial institutions. But our reality is such that wholesome enterprises, enterprises in the black, and those enterprises which open business with superb ideas and which have even received letters of commendation from the government for their outstanding ideas, started going under. So-called marginal enterprises which are insolvent should be left to the workings of the market mechanism, but promising enterprises should be looked after by the government.

Indeed small and medium enterprises are the foundation of economic development. The economies of the United States, Japan, and Taiwan are doing well because they have solid and sound small and medium enterprises. As late as last year, as many as 6,000 small and medium enterprises went bankrupt in our country. The logic of protecting small and medium enterprises is necessary not because they are the underdogs but because their protection is viewed as an absolute necessity for economic development.

[CHUGAN MAEGYONG] In my opinion, real estate speculation is regarded as one of the causes of the current serious illness of our economy.

[Chong] Needless to say, real estate speculation has had a great adverse impact on the economy.

Real estate speculation by some speculators does pose a problem. But land dealings by the government, businessmen, and Korea Land Development Corporation [KLDC] deserve censure. KLDC, which should provide housing lots at fair prices by developing expropriated land, recorded a profit of over 100 billion won each year. But the government is denouncing corporations as the principal culprit in the real estate speculation. It is not ethically right that the government, while failing to hold real estate speculation in check effectively, is manipulating public opinion to give the wrong impression that corporations, which should play the leading role in achieving economic growth, are the culprit in the real estate speculation.

[CHUGAN MAEGYONG] I hear that you are against the total wage system. If wages are to be raised by taking the inflation rate into consideration as demanded by labor, it will have an adverse effect on prices. For this reason, there is the opinion that your opposition to the total wage system is nothing but grandstanding for the forthcoming presidential election.

[Chong] My basic idea is that the rate of increase in wages should be higher than the rate of inflation. With the rate of inflation this year estimated at 12 to 13 percent, it is unreasonable to call for a 5 percent wage increase under the total wage system. I understand the principle of the total wage system, but I am against holding down wage increases to a 5 percent limit.

[CHUGAN MAEGYONG] The roles of big corporations and small, medium enterprises often become the subject of discussion. What is your opinion of this as a presidential candidate?

[Chong] Big corporations should be encouraged to move overseas so that they may compete with other corporations in the world. On the other hand, I plan to leave the domestic market to small and medium enterprises, thereby ushering in the golden era of small and medium enterprises.

[CHUGAN MAEGYONG] In the last general election many people expected the UNP to spend money profusely. As it turned out, the party did not spend money as randomly as expected but expended money only where it was needed, just as one does in managing a business.

[Chong] True, we released a lot of money. But we spent our campaign fund within the limit set by the Election Management Committee. We did that in order to practice clean politics.

[CHUGAN MAEGYONG] Your temporary debt is becoming a frequent subject of discussion. Do you have any plan to clear this temporary account?

[Chong] They are pressing for an early repayment while raising all kinds of obstructions to block the repayment. I have tried many ways to clear the temporary debt account. I tried to sell my stocks on the stock market, but they obstructed the sale. They are pressing for an early repayment while blocking the way; so, it is nothing but a political ploy. I have no intention of plowing back the money I have to pay to clear the temporary debt account into Hyundai in order to bolster the company.

[CHUGAN MAEGYONG] The business community feels regretful for your parting company with former Chairman Yi Myong-pak.

[Chong] He could not join the UNP. If he had joined the UNP, it would have made it difficult for his brother, an incumbent, to win a DLP nomination for the National Assembly election. As far as his activity in the National Assembly is concerned, I do not think he will present any ideas contrary to ours.

People put overemphasis on our parting. Our parting just took place in the course of what is commonly called politicking.

[CHUGAN MAEGYONG] The public is interested to know whether you are healthy enough to conduct state affairs when you become president and is apprehensive about your link to Hyundai.

[Chong] The UNP came into being when the same forces which have played the leading role in the modernization of the Korean economy for the past 20 years now turned into a political force. That is why we, the UNP, are proud of ourselves. If I had committed numerous mistakes while serving as FKI chairman and chairman of the Hyundai Group, I would not have been qualified to organize a party. I did not commit many errors, that is why I am proud of myself.

Suppose I show even the slightest interest in Hyundai after coming into power, the public would not condone it or tolerate it.

Currently, Hyundai is growing well under its own steam despite repression. It has recorded the highest volume of sales and the largest amount of profit among all Korean corporations so far this year. Why should I help the corporation, which stands on its own feet?

Speaking of my health, if any candidate challenges me to a wrestling match, I will beat him; if he challenges me to a swimming contest, I will also beat him; if he challenges me to a golf match, I will take up the challenge. I am confident that I will be able to work without a break for the next 10 years at least. I have never been sick again since I fell ill when I was 11.

Economic Policies Viewed

SK2506094192 Seoul HANGUK ILBO in Korean 21 Jun 92 p 5

[Article by reporter Chong Kwang-chol from a series entitled: "Economic Views of 'Candidates of the Three Parties'"]

[Text] Chong Chu-yong, president of the Unification National Party [UNP], gives priority to economics when formulating policies. President Chong, who thinks that his business experience is his best weapon, is paying more attention to solving economic problems than any other presidential candidate.

President Chong principally favors civilian control of the national economy. This means that government interference in economic management should be lessened as much as possible and that the economy should be managed according to the market economy principle. Because President Chong had difficult relations with the government when he was a businessman, it is certain he favors the autonomy of private enterprise.

President Chong stressed the need to decrease interest rates and to increase the circulation of currency in his election campaign for the 14th National Assembly. This means that the government should be flexible in providing money according to production, rather than unconditionally controlling money circulation. President Chong argues that the idea that the increase of currency will cause inflation is a textbook theory.

Based on the concept of an "export-driven" economy, which favors the need to expand exports by improving international competitiveness, President Chong demands that interest rates be lowered. President Chong highly assesses the potential of our country's manpower. Also, citing the domestic banks' current practice of making loans on mortgages, he criticizes local banks as "pawnshop banks." He maintains that banks should open up and make loans to people depending on their credit, not on mortgages; they alsob should help small and medium-sized enterprises overcome their difficulties.

Upon being nominated as presidential candidate at last month's party convention, he said that he would "raise per capita GNP by $20,000 within five years after coming to power." During his general election campaign, he asserted: "If I come to power, I will make efforts to run up $10 billion in trade surpluses within one year and $30 billion in trade surpluses every year from the third year of my office." Using Taiwan as an example, President Chong insisted that his assertion is not groundless.

President Chong strongly insists on the reinvigoration of business activities and the "era of the people's richness." This means that a balanced distribution of income should be realized by achieving consumer price stability and expanding job opportunities. He also stressed that the underground economy should be absorbed by the regular economic institutions by adopting the real-name bank account system; that unearned and illegal income should be taxed by restructuring the taxation system; and that the lower income brackets' tax burden should be reduced.

In addition, he presented various other economic policies that call for establishing fairness in taxation and for adopting the concept of public ownership of land.

President Chong once said that business conglomerates must be disintegrated. He insists that to strengthen their international competitiveness, enterprises must specialize in specific areas and that enterprises under a single conglomerate must not be allowed to mutually invest in each other and guarantee each other's credits.

President Chong thinks that he will rise in public estimation as the economic difficulties deepen. Thus, he will try to boost his image as an economic expert as much as possible through vigorous activities, including pushing ahead with a plan to meet Mexican President Salinas, who has been responsible for the Mexican economy's recovery.

Party Local Election Views Depend on Confidence

SK2406021792 Seoul THE KOREA TIMES in English 24 Jun 92 p 2

[Text] The difference in positions between the Democratic Party [DP] and the Unification National Party [UNP] on the administration-proposed delay of local autonomy elections largely stems from the amount of confidence they have of winning the elections, political analysts say.

The No. 1 opposition DP has a lot at stake in the mayoral and gubernatorial elections with its belief that it could win them and thus increase its chances of victory in the presidential ballot. That is why it is driving the ruling camp to ensure the elections are held no later than the December presidential vote.

The UNP, which, like the DP, deems the No administration's decision to put off the local autonomy polls as a plot to use the appointed chiefs of local governments in the Democratic Liberal Party's [DLP] presidential nominee's campaign.

Yet it has not adhered so much to its demand for early local elections as the DP has for the third party, lacking qualified candidates for municipal and provincial administration posts, is not as sure of its chances in the elections, the analysts viewed.

The disparity was reflected in the two parties' responses to President No Tae-u's Monday regret for his failure to call for the local elections by the legal deadline of June 12.

DP chairman and presidential contender Kim Tae-chung instantly renewed his demand for holding the elections by mid-December on the grounds that "Once President No repented for his failure, he should correct his mistake and hold them right now."

Meanwhile, UNP head Chong Chu-yong regarded No's remarks as an "apology," for which he pressured the president for earlier in the morning.

When his spokesman, Rep. Cho Sun-hwan, prepared a tersely-worded statement criticizing No's statement for being unappropriate and not a sincere apology to the nation, Chong ordered Cho not to release it to the press.

Chong's notably appeasing gesture was preceded by a rare show of respect for No, whom he used to call names since he jumped into politics a half a year ago.

In a news conference in that morning, he called No by his full title. Rather, he changed the target of his straightforward name-calling to Kim Yong-sam, his government party rival, for his alleged role in postponing the local elections, in stark contrast with his deliberate snub of him at previous public functions.

The analysts observed that Chong's sudden shift toward the hot issue of the election timetable and also President No might be multipronged, politically and personally.

"Chong might feel sorry for his party's lack of qualified candidates for the mayoral and gubernatorial elections. But he also might aim at enhancing his say in moving closer to the ruling camp in bipartisan conflicts between the DLP and the DP," an informed analyst said.

He might further acknowledge the fact that No is no longer his political rival and he could gain nothing by attacking the president who still has full control of all government power machines, according to the analyst.

Rumors have it that Chong, who thinks he has suffered a series of suppressions by No's law enforcement authorities and whose son has now been jailed along with his aides, chiefly for his anti-No activities, met No's top deputies recently and was dissuaded from attacking the president.

State-Funded Institutes Develop Policy for DLP

SK2006133592 Seoul TONG-A ILBO in Korean 17 Jun 92 p 1

[Text] The Democratic Liberal Party [DLP] sparked a controversy after it was revealed that it has had state-funded research institutes, including institutes under the control of the Korea Institute of Science and Technology [KIST], formulate election promises for its Executive Chairman Kim Yong-sam.

These research institutes are secretly conducting research projects at the request of the DLP. Some reports have been submitted to the DLP.

These state-funded institutes are reported to be partly paralyzed because they had to organize separate research teams devoted to formulating presidential election promises for the DLP and, as a result, there have been side effects. One of these side effects is that they had no way to raise funds for the research and had to appropriate money budgeted for other purposes.

Among these state-funded research institutes, a team called the Science and Technology Policy Research Center under KIST control has drawn criticism for violating the goal of the institute by formulating presidential election promises for a political party, even though it is, by definition, supposed to devote itself to planning, assessing, and managing research projects commissioned by the government.

In the past, these institutes had been commissioned by outside organizations to do research projects. Their research projects, however, have never included formulating policy or presidential election campaigns for political parties, ruling or opposition.

At the informal request of the DLP Policy Coordination Department in early June, the Science and Technology Policy Research Center formed five study teams for formulating the presidential election campaigns with researchers holding doctoral degrees. These teams have secretly written a report entitled "Ways To Effect Scientific and Technological Innovations for Building a New Korea" based on an analysis of pending scientific and technological issues. The Research Center is expected eventually to submit the report to the Second DLP Policy Coordination Department.

This report suggests that DLP Executive Chairman Kim Yong-sam announce as one of his presidential election promises, regarding science and technology, the construction in an area that borders Yongnam [North, South Kyongsang Province] and Honam [North, South Cholla Province] of a high-tech technopolis specializing in environmental and agronomical technology research studies. They also suggest that he introduce an epochal reform of incorporating the Ministry of Science and Technology that now oversees scientific and technological studies into the Ministry of Economic Planning Board.

Prior to this, at the end of May, the Korea Development Institute helped the DLP by providing it with 17 items necessary for working out presidential election promises. At the same time, the Korea Institute for Industrial Economy and Trade is reported to be engaged in research on formulating presidential election promises.

Commenting on this, an official at the Science and Technology Policy Research Center said: Early this month, the DLP Policy Coordination Committee requested that we unofficially formulate presidential election promises and we have completed a six-item election promise.

In response to this, So Sang-mok, director of the DLP Second Policy Coordination Department, said: Our party is now at the stage of listening to opinions from the state-funded institutions, research institutes, and business firms before earnestly starting our own research project. As far as I am concerned, our party has never commissioned any state-funded research institutes to formulate election promises.

Burma

Ministry Spokesman Rejects U.S. Court Ruling

BK2406141792 Rangoon Radio Burma in Burmese 1330 GMT 24 Jun 92

[Text] The U.S. Supreme Court recently ruled that the U.S. has the right to enter other countries and arrest and extradite crime suspects. The MYANMAR NEWS AGENCY today interviewed a spokesman from the Ministry of Foreign Affairs about the U.S. ruling.

The MYANMAR NEWS AGENCY stated that the U.S. Supreme Court recently agreed that the U.S. can freely enter a country to arrest and extradite persons who have violated U.S. laws. Some countries have already condemned the ruling. The MYANMAR NEWS AGENCY asked the Foreign Ministry spokesman what was Burma's position on the matter.

The Foreign Ministry spokesman said Burma has never interfered in the internal affairs of any country and Burma will never accept interference from any country. The spokesman added that the ruling by the U.S. Supreme Court is not in accordance with international practice and contravenes the United Nations Charter and international law. Therefore, he believed that the U.S. Supreme Court ruling will be opposed by all countries.

Parallel Government Leader Sein Win Interviewed

BK2406111192 London BBC in Burmese to Burma 1345 GMT 23 Jun 92

[Telephone interview with Dr. Sein Win, leader of the National Coalition Government of the Union of Burma, by unidentified BBC presenter, from the "Current World Affairs" program; place and date not given—recorded]

[Text] Preliminary talks are now being held between the Burmese military government and political parties on holding a national convention. The national convention, which will convene in the next few months, is to draw up a new constitution for Burma. Dr. Sein Win, leader of what is called the NCGUB—the National Coalition Government of the Union of Burma—a parallel government based in the border region, in a telephone interview with the BBC explains the NCGUB's attitude toward the current talks on holding the national convention as follows:

[Sein Win] Our attitude toward the 23 June talks between the SLORC [State Law and Order Restoration Council] and the political organizations is as follows:

1. We believe that the political parties have absolutely no role to play or freedom to talk in the current negotiations as well as in those to be held in the future;

2. Delegates to the talks were handpicked according to the military's wishes without including the genuine leaders of the NLD [National League for Democracy] such as Daw Aung San Suu Kyi and U Tin U and other representatives of the opposition. Therefore, as a government we do not recognize or accept the outcome of the meeting. We believe that the meeting will not achieve any positive outcome that can resolve the political problems.

[BBC] When asked what kind of measures the NCGUB wants to have taken, Dr. Sein Win said:

[Sein Win] Our government wants the following measures to be taken if a genuine political solution is to be found in Burma:

1. The unconditional release of Daw Aung San Suu Kyi and all political prisoners;

2. The lifting of martial law and all repressive laws; full guarantee of democratic and human rights; the holding of official talks with political leaders, including Daw Suu [Aung San Suu Kyi]; the suspension of the civil war and the holding of official talks with all leaders of the indigenous people.

Only when these measures are carried out will we be able to find a genuine political solution.

[BBC] It has been learned that an alliance called the DAB [Democratic Alliance of Burma] has drawn up a new constitution. We asked about Sein Win's attitude toward the DAB's draft constitution and whether it would have any influence on the current talks in Rangoon. Dr. Sein Win replies:

[Sein Win] The Democratic Alliance of Burma has drawn up a draft constitution and we view this as a positive development. The draft constitution spells out the future for Burma and we view this as a step forward. The real solution for Burma's future can be found only in the national convention. However, we gain much from such preparation being made in advance.

[BBC] When asked about Norway allowing the NCGUB to broadcast a program in Burmese, Dr. Sein Win answered:

[Sein Win] The program will be broadcast to Burma from Norway from July—from 19 July. We will broadcast programs on education, health, and entertainment. We will also present programs on democracy such as democratic movements in Burma and impartially presented current news.

We have made plans to broadcast about one hour a day. We have not drawn up the definite programming. However, we will take special care not to overlap with the broadcast time of the BBC and the VOA. We will especially broadcast internal news from Burma that cannot be broadcast by other stations, developments abroad, and news on our democratic movement.

Cambodia

UNTAC Told To Stop Criticizing Khmer Rouge

BK2506074692 Hong Kong AFP in English 0702 GMT 25 Jun 92

[Text] Phnom Penh, June 25 (AFP)—The United Nations' top peacekeeping official has told members of the U.N. operation in Cambodia to stop criticizing the Khmer Rouge [KR] while the faction ponders concessions to bring it back into the peace plan, U.N. sources said Thursday.

Marrack Goulding, the U.N. undersecretary general for peacekeeping operations, met privately with U.N. Transitional Authority in Cambodia (UNTAC) staff on Wednesday and told them to stop blabbing their criticisms about Khmer Rouge non-cooperation to the press.

"The message definitely was, tone it down, lay off the criticism, we have to be impartial," said one UNTAC official who attended.

The meeting was closed to the press, and Goulding has refused repeated requests to meet with reporters during his five-day visit from New York.

The Khmer Rouge have said that part of the reason for their refusal to cooperate with the Paris peace accords ending the civil war is because UNTAC has become too close to the Phnom Penh government.

The radical Marxist faction was handed several compromises at this week's Tokyo conference on Cambodian reconstruction, and has until July 2 to decide whether to rejoin the process or risk becoming ostracized by the international community.

"There is a great deal of anxiety about this," UNTAC chief Yasushi Akashi said Wednesday night on his return from Tokyo. We want them to adhere strictly to the Paris agreement and to cooperate fully with UNTAC."

He said he could not predict which way the Khmer Rouge would go, but said their last-minute decision to attend the conference was a positive signal that the group was willing to abide by the accords.

Khmer Rouge Not Playing UNTAC Messages on Radio

BK2406092192 Hong Kong AFP in English 0849 GMT 24 Jun 92

[By Sheri Prasso]

[Text] Phnom Penh, June 24 (AFP)—Not only are Khmer Rouge tactics stymying peace accords ending the civil war, they are keeping people in the dark about what the United Nations peacekeeping mission here is all about. The United Nations Transitional Authority in Cambodia (UNTAC) has a mission to keep the peace and hold elections in Cambodia, and to explain to the local people why they are driving around in white trucks and giving orders.

The UNTAC Information Office is charged with making radio and television spots—and comic books—in the Khmer language, explaining to Cambodians why 10,000 foreign soldiers have taken over their country.

In one, an uncle explains to his nephew what U.N. peacekeepers are:

Nephew: "Whoa! They are all different colors and they are all wearing blue berets. That's great!"

Uncle: "Yes, they are soldiers for peace. Their countries sent them voluntarily to help the United Nations to keep peace."

Aunt: "Isn't that great! A great way to use soldiers!"

Nephew: "So all Cambodian soldiers are going to lay down their weapons?"

Uncle: "Yes, and then the real work towards democracy can start."

The Khmer Rouge, however, resist laying down their weapons and refuse to play these U.N. dialogues on their shortwave radio station, UNTAC Information Director Tim Carney said.

"It's a question of principle," he said. "They're not willing to buy into the agreement as yet."

The station, which now broadcasts out of southwest Cambodia since the Chinese last year shut down the Khmer Rouge radio transmitter that had operated out of southern Yunnan Province, is monitored in Bangkok.

In one case, their resistance to giving U.N. information to Cambodians in areas they control—less than 20 percent of the country—took a more active form.

In Pailin, the one Khmer Rouge-held city where U.N. peacekeepers have been allowed to establish a presence, a poster with drawings explaining UNTAC's presence to the small local population was matched with a Khmer Rouge poster saying the faction would not go along with the U.N. plan until its own conditions were met, said U.N. officials who could not be identified. Leaflets and comic books for the literate will be given out there soon, the sources said.

In addition, the radio stations of the previously warring factions are still carrying on their propaganda campaigns, Carney said. Since the Khmer Rouge took power in 1975, outsiders have listened to Khmer Rouge radio propaganda for inklings of political changes and strategies within the hierarchy.

When the Phnom Penh government was set up in 1979 and the civil war began, the state-run radio propaganda also gave clues to the progress of the civil war and to any changes in the regime. Long accustomed to their highly charged rhetoric, the radio stations on both sides are finding it difficult to mend their ways.

UNTAC Information will soon exert direct control over the radio stations of the four factions, probably by mid-July, Carney said.

The two non-communist factions—FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and the Khmer People's National Liberation Front—have small, five-kilowatt AM radio transmitters along the border with Thailand that can be heard for about 100 miles (60 kilometers). [as received]

"We have had to point out to three of the factions that there were either inaccuracies of fact or broadcasts that could be considered as defamatory, that might or might not incite racial hatred," Carney said.

Without citing examples, Carney said he once asked for a retraction and will make it a regular practice for propaganda violations. The most power he has at the moment, however, is wrist-slapping. But ultimately the Paris peace agreement calls for direct control over the airwaves.

UNTAC is also considering setting up its own Khmer-language station, a decision that is to be made in New York in the coming weeks, Carney said.

Editorial Lauds Results of Tokyo Conference

BK2506032492 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 24 Jun 92

[PRACHEACHON editorial: "Warmly Welcome the Tokyo Conference's Successful Outcome;" date not given]

[Text] The Tokyo conference on the reconstruction of Cambodia, which was held on 22 June with the participation of the representatives from 33 countries and 12 international organizations, has successfully concluded. The conference, which is an important meeting, illustrates the international community's political resolve to further implement a peace plan and help rebuild Cambodia with or without the cooperation of the Khmer Rouge.

The conference expressed serious concern over the difficulties confronting the United Nations in its peacekeeping mission in Cambodia that have been created by the Khmer Rouge faction, which has refused to collaborate with the UN Transitional Authority in Cambodia [UNTAC] and disarm. And the international community also paid attention to the reconstruction of Cambodia, which has been systematically ruined by war. Accordingly, the conference adopted two declarations with a view to resolving the two problems: The first is aimed at working out a solution to the ongoing war in Cambodia and the second is to provide financial aid worth nearly $900 million for the reconstruction of Cambodia, for which Japan pledged to make a contribution of 100-200 million dollars and the United States 135 millions dollars.

The success of the Tokyo meeting evidences a great victory for the policy pursued by the Cambodian People's Party [CPP] and the government of the State of Cambodia [SOC], which, prior to and even after the existence of the Paris accord, have allowed and encouraged the international community to provide development aid for the reconstruction of Cambodia. Never have they objected to or created difficulties for the provision of aid by the international community to the other political parties. In view of the interests of the country and people and the requirements of the peace process, which should proceed simultaneously with the multifarious development of the country, the CPP and the SOC Government have always warmly welcomed, and created favorable conditions for, various donator countries and international organizations, considering this is a vitally important contribution to the gains that the Cambodia people have achieved over 13 years.

In addition, the success of the Tokyo conference has given a bitter blow to the arrogant policy of the Khmer Rouge, who have ceaselessly blatantly claimed that they love the country and people, but to all appearances they have used all possible pretexts and maneuvers to block assistance for the reconstruction of Cambodia.

His Excellency Akashi, UNTAC head and special envoy of the UN secretary general, told the Tokyo conference that the decision by the party to refuse to abide by the agreement that it signed in Paris last October is a threat to all UN operations in Cambodia. He also rejected the Khmer Rouge party's claim that UN aid had unjustly served the interests of Chairman Hun Sen's government, adding that the faction used the objection to voice a refusal without having even conducted a scrupulous study of the various projects that they have already endorsed.

The Cambodian people, the victims of the protracted destructive and genocidal war, wish to enthusiastically welcome the successful result of the Tokyo conference and express their deepest gratitude to the international community for its endeavor to succor our people. With their moral and physical strength, our people would like to again reaffirm their ardent, steadfast support for the UNTAC's operation and His Royal Highness [HRH] Prince Norodom Sihanouk's mission for the cause of peace and national reunification and reconstruction.

Preserving Army's 'Fine Character' Stressed

BK1906071792 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 18 Jun 92

[PRACHEACHON editorial: "Further Preserving the Fine Character of the People's Army;" date not given]

[Text] Under the banner of the intelligent leadership of the Cambodian People's Party [CPP] and the Government of the State of Cambodia [SOC], the Cambodian People's Armed Forces [CPAF], which was born from the struggle and flesh and blood of the people, have surmounted all manner of difficulties and obstacles and made all kinds of sacrifices for the independence, peace, and democracy of the motherland and the happiness of the people.

For over 13 years, the CPAF has not only made sacrifices for salvaging the motherland and the lives of millions of people from the calamity of the barbarous Pol Pot regime, but also protected the lives and interests of the people as well as the social gains of the entire nation. Every Cambodian can recall that our CPAF has sacrificed its flesh and blood without fear but with courage and bravery for the timely halt of barbarous activities committed by the other Cambodian party which wants to return to Cambodia the bloodthirsty regime that has mercilessly slaughtered the people.

National independence, territorial integrity, stability, constant social progress, as well as the people's freedom, rights, and appropriate living conditions are the results of the valuable sacrifices made by our CPAF. Thanks to our CPAF's firmness, strength, and valor over the past 13 years, the Cambodian situation has been motivated to enter a turning point at which armed confrontation and bloody war have been transformed into a peaceful political settlement. The peace agreement that all the Cambodian parties and 18 countries concerned signed in Paris on 23 October 1991 constitutes a concrete testimony of the position of strength of our CPAF.

For seven months, in spite of difficulties persistently created by the Khmer Rouge to obstruct the execution of the Paris accord, the process of the implementation has gradually made headway as planned. And at present, the application of the second phase of cease-fire is also under way.

With genuine patriotism and willingness to see the motherland recover peace and progress and the people live in happiness and prosperity, the CPAF have been in unison with the CPP and the SOC Government to heartily and sincerely cooperate with UNTAC [UN Transitional Authority in Cambodia] in implementing phase two of the cease-fire. Fully abiding by the orders from their respective commanders, officers and the rank and file have regrouped at various designated verification points and centers and surrendered with courage and bravery arms that they used to hold, and 70 percent of them have agreed to return to live in their localities as civilians.

These gestures represent the most courageous attitude endowed with lofty dignity and goodwill to achieve national reunification and to uphold the nation's image of our combatants, who are worthy of being the esteemed children of our beloved motherland of Angkor.

The CPP, the SOC Government, and the Cambodian people wish to pay high esteem and gratitude to our cadres and combatants for their sacrifices to the nation and motherland. The CPP, the SOC Government, and the Cambodian people wish to sincerely urge all the cadres and combatants of the CPAF to always preserve the fine character of our CPAF regardless of their diverse changing situations. As for the 70 percent of demobilized compatriots who will return to their localities, you remain the core force and steadfast support of our local state authorities and people there at all times. And the remaining 30 percent, along with further maintaining the fine character of our CPAF—which are born from the people and for the people—should be ever ready to assume the defense task in cooperation with UNTAC to prevent the violation of the peace accord by the other side and should jointly struggle to have the accord implemented correctly and justly for the sake of peace and progress of our nation and people.

Snipers Fire at UN Helicopter 24 Jun

BK2406125792 Hong Kong AFP in English 1248 GMT 24 Jun 92

[Text] Phnom Penh, June 24 (AFP)—U.N. peacekeepers in Cambodia suffered their third attack this week Wednesday as a sniper fired at a U.N. helicopter flying north of the capital and pierced the fuselage with two bullets. No one was injured, U.N. officials said, but on Sunday a helicopter co-pilot was slightly injured as automatic weapon fire hit the cockpit. On Monday, the attacker fired and missed, the officials said.

"This is disturbing," Yasushi Akashi, head of the U.N. Transitional Authority in Cambodia (UNTAC), said on his return from a conference in Tokyo on Cambodian reconstruction.

"No party, no armed forces has the right to challenge U.N. peacekeepers," he said. "They are here for Cambodians to help implement the peace accords."

Meanwhile, U.N. officials said one of the four factions has informed them that Khmer Rouge guerrillas have been promised 3,500 dollars each time they shoot down a U.N. helicopter.

The guerrillas would allegedly earn another 1,500 dollars for attacking any UNTAC personnel or vehicle, U.N. spokesman Eric Falt said.

"We consider it to be a very unlikely rumor because UNTAC is here at the invitation of all the factions," U.N. military spokesman Lieutenant General Dick Palk said.

The incidents Sunday and Monday occurred over central Kompong Thom Province, the disputed territory still being fought over by Khmer Rouge and Phnom Penh government forces. Wednesday's attack occurred 30 miles (50 kilometers) north of Phnom Penh, which is government-controlled territory.

The helicopter flew its normal route and the pilots did not realize the helicopter had been hit until it was examined upon landing, Falt said. U.N. officials said they were investigating the incidents.

In February, the head of the Australian contingent of U.N. forces was shot twice in an identical attack not far from these incidents. That attack was blamed on Khmer Rouge guerrillas, although the faction has denied responsibility.

Telephone Link Pact Signed With U.S. Firm

BK2506033292 Phnom Penh SPK in French 0150 GMT 25 Jun 92

[Summary] Phnom Penh 25 June (SPK)—An agreement was recently signed by Net Chring, head of the Communications, Transport, and Posts Ministry's Posts and Telecommunications Department, and M.D. Wong, representative of the U.S. firm Sprint.

According to the document, telephone links and other means of communications between the two countries will be established directly .

Indonesia

2d Part of Military Contingent Leaves for Cambodia

BK2506074092 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 25 Jun 92

[Text] The second part of the Garuda XII-B military contingent, consisting of 551 troopers from the Army Strategic Command's Infantry Brigade and the Marine Corps' Infantry Brigade as well as 75 policemen led by Lieutenant Colonel Riamizard has left for Cambodia aboard a Navy ship from Jakarta's Tanjung Priok port. A press release of the Indonesian Armed Forces Headquarters said the military contingent was accompanied by 12 print and electronic media journalists. They will join other members of the UN peacekeeping force in Cambodia.

Jordan's King Husayn Writes to Suharto on Ties

JN2306124792 Amman Radio Jordan in English 1100 GMT 23 Jun 92

[Text] Indonesian President Suharto received a letter from His Majesty King Husayn today on bilateral relations. The letter was delivered by Deputy Prime Minister, Minister of Transportation Mr. 'Ali al-Suhaymat during a meeting with the Indonesian president in Jakarta this morning.

The two sides also discussed bilateral ties and ways of developing them.

Mr. al-Suhaymat is in Indonesia for the inauguration of new commercial flights between Amman and Jakarta.

Brunei, Singapore Support Satellite Plan

BK2406111092 Jakarta THE JAKARTA POST in English 16 Jun 92 p 8

[Text] Jakarta (JP)—Brunei Darussalam and Singapore support Indonesia's plan to operate Palapa as a regional communications satellite.

"The Governments of Brunei Darussalam and Singapore have expressed their support to Jonathan L. Parapak, secretary general of the Ministry of Tourism, Post and Telecommunications," Minister of Tourism, Post and Telecommunications Susilo Sudarman said here yesterday.

Brunei Darussalam, Singapore, and Indonesia are members of the Association of Southeast Asian Nations (ASEAN), which also groups Thailand, Malaysia, and the Philippines.

Minister Susilo said that Indonesia would continue promoting the plan and approach Thailand, Malaysia, the Philippines, South Korea, and Tonga to gain their support.

"Indonesia is the third country after the United States and Canada to operate domestic satellites to facilitate its telecommunications services. Indonesia is the only developing country which has over 16 years of experience in the satellite business," he said.

Thailand, Malaysia, and Tonga have expressed interest in launching communication satellites, but Susilo reiterated his hope that they would put off their plans and join Indonesia.

He said the response from the neighboring countries would determine the specification and technical details of the future series of Palapa satellites.

"The future satellites may have larger numbers of transponders."

He cited that a transponder of the Palapa A-1 satellite had only 700 channels, but a transponder of the B-4 satellite currently in operation had 7,000 channels.

He also announced that the government had approved in principle a plan of state-owned PT [Limited Company] Telekomunikasi Indonesia (PT Telkom), the operator of the Palapa series of satellites, to establish a subsidiary to continue running the satellite service business.

He said the subsidiary would be named PT Palapa Satelite Indonesia (PT PSI).

If the subsidiary could be established this year, PT Telkom would have to abandon all current plans and orders concerning the C generation of Palapa satellites.

PPP Accepts Results Despite Alleged Violations

BK2206155392 Jakarta THE JAKARTA POST in English 18 Jun 92 p 1

[Text] Jakarta (JP)—The United Development Party (PPP) accepts the results of this year's general election but remains concerned at the extensive number of irregularities taking place all over Indonesia. In a political statement released yesterday, PPP said that it will report election law violations recorded by the party's election board to Minister of Home Affairs Rudini and Attorney General Singgih.

"The PPP central board urges the authorities to investigate and take action against the violators in accordance with the law."

Matori says he is confident that Rudini will act accordingly on PPP's complaints. The minister of home affairs is also chairman of Indonesian Election Committee

(PPI) and the attorney general is chairman of Election Supervisory Committee (Panwaslak).

The statement, signed by PPP Chairman H. Ismail Hasan Metareum and Secretary General H. Matori Abdul Jalil, was released after a four-hour meeting involving all members of the PPP central board.

The meeting scrutinized the reports of violations of election laws in Aceh, North Sumatera, West Sumatera and the regency of Sampang in East Java. In Sampang, chairman of the local PPP chapter demanded that the polling in the regency be repeated because of alleged widespread vote rigging. The PPP surprisingly lost in Sampang, a traditional PPP stronghold, despite a rise in the number of votes for PPP all over the rest of East Java.

Matori said he would go to Sampang today to discuss the matter with local leaders.

PPP also urged the government to improve the law regarding the general election so that all political parties could take part in organizing the general election at all levels. However, Matori acknowledged that the general election process had improved since the election in 1987. PPP also expressed condolences to families of those who died in election related incidents.

Laos

Antinarcotics Seminar Held With U.S. Officials

BK2306114192 Vientiane KPL in English 0912 GMT 23 Jun 92

[Text] Vientiane, June 23 (KPL)—A seminar on matters relating to illicit drug trafficking organised by the Lao National Commission for Drug Control and Supervision (NCDCS) was opened here yesterday at the Asian Pavilion Hotel.

The workshop sponsored by the Bureau for International Narcotics Matters (INM) under the U.S. Department of State was attended by customs and police officers and officials from the NCDCS. The resource persons are from the U.S. Customs Service.

The participants studied both the theory and practices in narcotics identification and observation techniques in detecting drug carriers, how to perform searches of travellers, baggage, aircraft, and land vehicles.

Attending the opening ceremony were Major General Soulima Bounleut, vice president of the NCDCS; Mr. Soukchai Souvannavong of the Lao Customs Department; and officials from the United States Embassy in Vientiane. The seminar will last until June 24, 1992.

The International Narcotics Matters earlier sponsored one customs officer training in October 1990. The INM is also involved in funding "the Houa Phan opium crops substitution integrated rural development project."

Australian Emergency Rice Aid Arrives

BK2406123892 Vientiane KPL in English 0914 GMT 24 Jun 92

[Text] Vientiane, June 24 (KPL)—The Australian Government's emergency relief of AUD [Australian dollars] 500,000 to the Lao Government, executed by the World Food Program, recently arrived in Laos, according to the press release of the embassy here.

The Australian financial contributon of AUD500,000 was used to purchase rice for the flood and drought affected areas in central and southern Laos.

World Food Program (WFP) reported that the delivery of the first 4,000-mt [metric ton] rice, which commenced on 21 April 1992, has been completed. The rice, purchased in Thailand and delivered by trucks to the Lao border, was distributed to Khammouane (1,400mt), Savannakhet (1,080mt) and Champassak (1,520mt).

The Australian Government's contribution was used to purchase the first 1,500 mt, the EEC contributed for the other 2,500mt.

The purchase of the remaining 4,000mt, which is currently being finalized, will be covered by USA.

The U.N. volunteers are now being considered to help monitor the Laos emergency operation. A Japanese trust fund will cover the costs of the emergency operation. The WFP emergency coordinator in Laos has made arrangements at the distributon points with the Lao Government, local authorities, the communities and appropriate NGOs [non-governmental organizations] to implement and monitor the distribution.

Minister Attends Bangkok Communications Meeting

BK2006120492 Vientiane KPL in English 0859 GMT 20 Jun 92

[Text] Vientiane, June 20 (KPL)—Deputy Minister of Communications, Transport, Posts, and Construction [CTPC] Phimmakon Manotham, who led a Lao Government delegation to a conference on the Decade of Communications and Transport in the Asia-Pacific region held in Bangkok, Thailand, recently, on June 18 gave at the ministry a briefing to its officials about the outcome of the conference.

The conference under the theme "Continuing the Implementation of the Decade of Communications and Transport Development" was attended by ministerial delegations from 33 countries and representatives from 22 international organizations. The decade is from 1985 to 1994 and is extended two more years in the second stage from 1992-96.

This conference, in addition to reviewing the operation in the first stage (1985-1991) and in the second stage (1992-96) of 45 projects of which 27 are postal projects in the Asia-Pacific region, decided to admit to the conference some new members from independent states of the former Soviet Union and from western Europe and set up a task committee to deal with communications and transport development in both least developed and developing countries that are landlocked and island countries. The task communications, economic and trade development among the nations in Asia [sentence as received].

CTPC Minister Bouathong, who also attended the briefing, then called on the ministry's officials to be more active in taking part in the implementation of the decade in order to seek more international organizations for development of communications, transport in the country and in contribution to the same activity in Indochina and in the Asia-Pacific region as well as in the world.

Acts of 'Bad Elements' in Border Area Exposed

BK2506055892 Vientiane Vitthayou Hengsat Radio Network in Lao 1400 GMT 24 Jun 92

[News commentary: "Let Us Join in Checking All Acts of Encroachment Upon the Just Rights and Interests of the People"]

[Text] Respected listeners, as reported earlier, on 14 June a group of robbers, fostered and supported by bad foreign elements, plundered people's property and set their houses on fire at Vang Neua, Don Hiang, and Paksao villages in Sanakham District, Vientiane Province. The robbers killed two villagers, burned down and destroyed 63 houses, 1,800 sacks of paddy, 24 paddy silos, one rice mill, two trucks, six motorboats, two ox carts, and 11 sewing machines. They also damaged a number of other valuable property. They have thus caused material loss and mental pain to a total of 683 people in 115 families. Their acts have also aroused deep feelings of indignation among the people of the three villages.

Less than a year ago, this group of robbers also plundered property and harassed the people in this area. By conducting these barbarous, inhuman acts, the robbers have deliberately encroached upon the just rights and interests of our Lao people. They are all acts of hooligans, thieves, or robbers who are unable to earn their living in the proper way. This group of people can earn their living only this way—a way of living which is undesired and objected to by the people of the world and society.

In this incident, it is to be noted that this group of robbers have continued to gain support from bad, foreign elements, who have made use of them to conduct such acts for their common interests. Without supporters, it is certain that these robbers would not have been able to continue carrying on this way of life until now. The bad elements, in the form of armed pirates who relied on the work of killing people and plundering their property, were punished and driven away by our people a long time ago. So how could they reappear?

In view of the inhuman and irresponsible acts by this group of bad elements or robbers and in order to defend their just rights and interests, the people and Armed Forces in the area, in a growing spirit of indignation, united and resolutely fought back. Our people and Armed Forces have suitably punished them, forcing them to flee away, leaving behind a large number of the bodies of the criminals.

The concrete experiences of the past two occasions have aroused a spirit of indignation among the people of Vang Neua, Don Hiang, and Paksao villages. The incident has made the people of these three villages heighten their vigilance, unite as one, and carry out patrol activities to check the inhuman acts of the devils in order to maintain their spiritual stability, protect their valuable property, and maintain the normal tranquillity and social order of this area. The bad foreign elements, who have fostered and supported the robbers and created favorable conditions for them in the past as well as in the present, are hereby asked to put an end to their vicious and inhuman acts.

'Criminal Acts' Assailed

BK2506034892 Vientiane Vitthayou Hengsat Radio Network in Lao 1400 GMT 24 Jun 92

[Text] Today, Colonel Phommachak Soutthisan, head of the ad hoc operation unit of the Lao-Thai General Border Peacekeeping Cooperation Committee, granted an interview to a KPL correspondent on the disturbing incident which occurred on 14 June at Vang Neua, Don Hiang, and Paksao—villages situated along the coastal area of the Mekong River in Sanakham District, Vientiane Province. The incident caused great losses of lives and property to the people of the three villages. As a result of the incident, which was caused by robbers, two villagers were killed, 63 houses were burned down, and more than 1,800 sacks of paddy, 24 paddy silos, one rice mill, one thrashing machine, two trucks, six motorboats, two ox carts, and 11 sewing machines were set afire and destroyed. Various types of valuable property belonging to the villagers were also plundered. The incident has thus seriously affected a total of 683 people in 115 families.

The head of the operation unit noted: This is not the first time that the aforesaid robbers or bad elements have committed the criminal acts of plundering property, setting houses on fire, and killing residents of the border areas along the Mekong River in Sanakham District. The incident shows that the bad elements have not yet abandoned their dark schemes aimed at creating disturbances and sabotaging the peaceful life of the people living in areas along the Mekong River, in particular those in Sanakham District, Vientiane Province.

As head of the ad hoc operation unit of the Lao-Thai General Border Peacekeeping Cooperation Committee, Col. Phommachak Soutthisan was of the views that the disturbing incident has not only inflicted losses of lives and property on the people, but has also threatened and frightenened the people who earn their living along the Mekong River. He said: Similar incidents have taken place along the Lao-Thai border on many occasions, and the ad hoc operation units of the General Border Peacekeeping Cooperation Committee of the two sides have discussed the issue together in order to seek means of solving the difficulties lest they affect the fraternal, neighborly relations between the two countries, relations which have now been promoted and expanded at a high level.

Shortfall in Foreign Investment Examined

BK2406102392 Vientiane PASASON in Lao
5 Jun 92 pp 2, 3

[Feature by So Phanthavong: "Several Factors Continue To Delay Investment in Our Country"]

[Text] At present, there are a total of 201 investment projects with a combined investment of U.S.$359 million in the Lao People's Democratic Republic [LPDR]. People say that the current number of projects suit the reality in our country because our market is small, because our telecommunications system is insufficient, and because our workers are not very efficient. Our workers still need time to gain experience since our country has just become an open society.

Samlit Phompida, deputy director of the LPDR's Foreign Enterprise Promotion Company, told reporters that his company was established in early 1991 in order to facilitate the efforts of those who wish to invest in Laos, serve as a source of information for investors, process investment application forms, apply for permission from the ministries concerned, and coordinate with authorities concerned in collecting data for investors.

So far, the company has assisted a number of foreign enterprises investing in our country by applying for investment permission with the Ministry of Foreign Economic Relations and for trade registration licenses with the Ministry of Trade and Tourism. If an investor wants to set up a factory, the company can help him apply for a permit to establish a factory as well as a permit for operating a business with the Ministry of Industry and Handicrafts and request permission to construct factory buildings with the Ministry of Communications, Transport, and Construction. The company also helps investors by conducting feasibility studies on investment prospects in Laos.

He said that the company has so far been given very good cooperation by state authorities because all officials of the company are acquainted with those personnel of the ministries concerned. They are, therefore, in a better position than the investors to make contact with state enterprises. They also command a sound understanding of all procedures in accordance with the various decrees issued by the ministries concerned and are able to correctly relay such knowledge to the investors. They have popularized the investment directions and policies of the Lao People's Revolutionary Party and the Lao Government to attract other countries to invest more in Laos. The company has also been given considerable support, assistance, and conveniences by top-level authorities. All these are the factors that help investors spend less money but remain confident that their goals will be better fulfilled than by trying to carry out investment work through private brokers who are not officially sanctioned to handle such services.

Speaking about difficulties relating to services for investors, Samlit said that there is still a conflict between the policy of investment promotion and the problem of maintaining security. For example, in requesting permission to enter the country, a would-be investor is required to pass through numerous time-consuming procedures before being able to obtain an entry visa. Another problem is that getting a reply to an application for permission to invest remains slow. According to the investment laws, a reply to an application for any type of foreign investment must be made within two months. But in practice, the two-month period often expires before a reply is forthcoming, thus leaving the investor to wonder whether he will be able to obtain permission or not. This problem will not only waste an investors' time but will also cause his clients to lose confidence. This problem has caused setbacks in businesses. Therefore, the sectors in charge should speedily resolve the problem and make the system conform with the law. Prolonging the problem will only discourage the investors.

Another problem is the continuing inconveniences in our telecommunications system. Investors often find that it is difficult and time-consuming to make communication links in our country. Tax exemption on profits is still too marginal. He noted that the period for tax exemptions should be extended in order to gradually attract more investors. The more the investors are given a chance to reduce their production costs the better opportunity our country will find in competing with other countries whose transportation systems are better and cheaper than in our country, which, as everybody knows, has no access to the sea.

Philippines

Senators Visit PRC; Hold Talks With Legislators

HK2506054492 Manila THE CHRONICLE in English
25 Jun 92 p 3

[Text] Senator Ernesto Maceda and Senators-elect Arturo Tolentino, Ramon Revilla, and Blas Ople are visiting the People's Republic of China for a dialogue with Chinese legislators.

Ople, the incoming chairman of the Senate Committee on Foreign Relations, said they might also visit Tibet.

He said he expected China to become an "economic power" especially after the reversion of British-held Hong Kong to it and eventually, possible unification with Taiwan.

The four will meet with their counterparts in the Chinese National People's Congress.

The senators-elect left Monday [22 Jun] while Maceda first attended the joint Congress session which proclaimed Ramos before leaving.

Economic Ties with Taiwan Tolerated

HK2506092492 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT 25 Jun 92

[Text] China allows countries with which it has diplomatic relations to establish economic ties with Taiwan.

This was clarified by Senator Ernesto Maceda who is on a one-week goodwill visit in China. Nevertheless, he said, China does not allow countries to establish political ties with Taiwan.

In a meeting between Maceda and Wan Jin of the National People's Congress, the latter praised the Philippines' care in honoring the terms of the one-China policy.

In the same meeting, Foreign Minister Qian Qichen confirmed that he will attend the opening ceremony of the ASEAN foreign ministers' meeting to be held in Manila next month.

Ramos Victory Reduces Country's Risk Rating

HK2406093392 Manila BUSINESS WORLD in English 24 Jun 92 pp 1, 6

[By Edgar R. Bancod]

[Text] The overall risk rating of the Philippines has declined slightly with the victory of administration candidate Fidel V. Ramos in the presidential race.

In its quarterly risk report, the Political and Economic Risk Consultancy Ltd., a member of the Pacific Investment Group, said the country's total risk rating dropped to 0.577 last June from 0.6027 in March mainly as a result of the successful elections.

(The risk variable is graded from 0, the best or lowest risk possible, to 1, the worst or highest risk possible.)

The country risk rating model gave the heaviest weighting on socio-political risks at 40 percent, followed by the external economic risk, 35 percent, and domestic economic risk, 25 percent.

On a scale of 0 to 10, the consultancy group graded political risk 5.5 in June from 6.54 in March. The lower grading was attributed to a better score on "leadership competence" of the President-elect.

"Fidel Ramos may have a reputation for being a slow decision maker, but he is also said to stick to his decisions once they are made—a characteristic exasperated businessmen may find refreshing after the indecisive Mrs. Aquino."

External political risk, however, has remained the same at 4.7. With the U.S. pullout from its RP [Republic of the Philipines] bases, the report said: "The new president is going to have to come to terms with the country's neighbors in ways which could have been conveniently ignored in the past."

Mr. Ramos, for instance, has to seek a better balance in relations with Japan, already Manila's top aid donor, and deal with five other nations which claim sovereignty over the disputed Spratly Islands, as well as differences with Malaysia over Sabah.

Risk of social disorder, meanwhile, was scaled down to 4.6 from 5 since the election fever has already simmered down. Systemic risks were unchanged at 6.35. The consultancy group expects Mr Ramos to maintain the general trend towards deregulation.

Economic Growth

The grading on domestic economic risks, meantime, has been trimmed down to 4.85 from 5 due to signs that the economy has turned the corner. Economic growth in the first quarter was slower than expected at 2.04 percent although better than the corresponding period last year.

The consultancy group, however, opined that "the current recovery may be frustratingly brief. One of the most serious problems facing the economy is the shortage of electric power with rotating brownouts cutting productivity and forcing potential investors to look elsewhere." Moreover, the report said, the expected "massive election spending" has failed to materialize.

Fiscal risks were also reduced to 6.25 from 6.5. "Whatever else may be said about the ability of the Aquino administration to manage the economy, it has to be acknowledged that it was remarkably successful in resisting pressures to increase spending during an election year."

The report, however, stated revenue shortages could be expected over the short term. New tax measures will take months of deliberation in Congress before these can take effect.

The fight to tame inflation and prune down interest rates earned government a better grade of 4.55 from 4.75 in terms of monetary risks. Infrastructure risks, however, remained at 5.62. "Drought, environmental concerns, aging generators, and poor planning have left the Philippines with a serious power shortage which threatens future economic growth."

Trading Risks

The last portion of the report dealt with external economic prognosis.

Trading risks, which fell under the category, rose to 6.86 from 6.72. The report said the trade gap should again widen with the abolition of the 5 percent import levy. On the other hand, this should help depreciate the peso and, as a consequence, reduce export prices of RP goods. The heavy import content of manufactured exports will, however, reduce the impact of a peso depreciation.

The country's foreign credit risk rating, meantime, improved slightly to 7.04 from 7.46 as a result of a better foreign exchange position. Besides, the report stated: "Steady Eddie, as Ramos is often called, has promised to continue to make payments on the national debt."

The consultancy group rated exchange rate and capital flow risks at 6.05 from 5.75 as it expects a greater volatility in the peso value. The Central Bank's gross international reserves hit a record high of $5.4 billion in March leaving observers to believe government can prevent any rapid depreciation of the local currency. "But once the decline begins, it could accelerate rapidly if investors holding Treasury bills decide to get back into dollars."

Ramos Possible Cabinet Composition Revealed

HK2406115292 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 24 Jun 92

[Text] A member of the House of Representative who is close to Fidel Ramos has disclosed the possible composition of Ramos' cabinet. Ana Soriano reports:

[Begin Soriano recording] The following are expected to comprise Ramos' cabinet: Retired Major General Rene Cruz for the Department of Transportation and Communication; Congressman Edelmiro Amante for environment and natural resources; MALAYA columnist Beth Sison, press; Peter Garrucho, energy; Rafael Alunan, ambassador to the UN; and banker Bobby de Ocampo, Central Bank governor. Executive Secretary Franklin Drilon is expected to be retained. Secretary Jose Ping de Jesus may be removed as secretary of the Department of Public Works and Highways if Vice President-Elect Joseph Estrada cooperates with the Ramos administration.

It was reported that Estrada was asking for the position due to his engineering background. [end recording]

Ramos Administration To Change Proposed Budget

HK2506084392 Quezon City Radyo ng Bayan in Tagalog 25 Jun 92 0400 GMT

[Text] President-Elect Fidel Ramos said his administration will change the P322.7 billion [pesos] budget proposal for 1993. Ramos made the statement to the press after his closed-door meeting with Senate President Neptali Gonzales. The two officials emphasized that the energy crisis must be prioritized. They also agreed on the need to create the Department of Energy. Ramos did not explain how the 1993 budget, which the Aquino administration prepared, will be restructured. He said he wants a small cabinet with less departments, thus reducing expenditures.

Ramos To Push for Creation of Department of Energy

HK2406115192 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 24 Jun 92

[By JoJo Ismael]

[Text] President-Elect Fidel Ramos told Philippine Broadcasting Service News that his administration will revive the proposal for the establishment of a department of energy, which will be responsible for energy-related issues. Ramos said the present nationwide energy crisis needs immediate and serious action by the national leadership. He added he will urge the Congress to immediately pass a law for the creation of the Department of Energy:

[Begin Ramos recording in English] I will revive the proposal to establish a department of energy, and at the same time, push the Energy Development Program to a higher level. [end recording]

Muslim Rebels Destabilization Threat Dismissed

HK2406110692 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 24 Jun 92

[Text] The military has brushed aside a threat by the Muslim secessionists in Mindanao to launch new attacks against the new administration. Josette Olivera reports:

[Begin Olivera recording] Major General Arturo Enrile, Philippine Army chief, said the military neutralized the secessionist rebels group in Mindanao long ago, including the Moro National Liberation Front [MNLF] headed by Nur Misuari, who is now in exile in the Middle East, the MNLF breakaway group, and the Moro Islamic Liberation Front. He said that the military can thwart or control whatever move the rebels take in Muslim areas.

Earlier, Misuari stated he does not agree with the amnesty offer by the new president of the republic, Fidel Ramos. Misuari is also demanding for the implementation of the Tripoli Agreement which would give them the autonomy to govern Mindanao.

Brigadier General Guillermo Ruiz, Marine Corps commander for Southern Mindanao, has asserted they can prevent any attempt by the Muslim rebels to destabilize Mindanao. [end recording]

Ramos Belittles Misuari Threat

HK2406122692 Manila Manila Broadcasting Company DZRH in Tagalog 1100 GMT 24 Jun 92

[Text] President-Elect Fidel Ramos has belittled a threat by the Moro National Liberation Front [MNLF] not to recognize him as the country's next president. Ramos also said he will make Vice President-Elect Joseph Estrada active in his position. Andy Verde reports:

[Begin Verde recording] President-ELect Fidel Ramos has offered Vice President-Elect Joseph Estrada an important role during their more than an hour long dialogue today. Ramos, however, did not disclose what important role Estrada has to undertake. He said he has a plan for a good working vice president, referring to Joseph.

Meanwhile, Ramos belittled a threat by Nur Misuari, MNLF leader exiled in the Middle East, not to recognize his proclamation as president by saying that Misuari's statement deviates from reality. Ramos said many commanders of Misuari's MNLF has returned to the fold of law and now hold positions in the local government like Governor Tupay Luong and Governor Jerry Salipuddin. [end recording]

PNP Chief Proposes Amnesty for Extremist Forces

HK2406101492 Manila THE CHRONICLE in English 24 Jun 92 p 6

[By Joey Caburnida]

[Text] Philippine National Police director General Cesar Nazareno yesterday proposed the granting of general amnesty to all extremist forces.

Interviewed at the 96th anniversary celebration of the Philippine Navy, Nazareno said that should President-elect Fidel Ramos push through with his peace efforts with communist, rightist, and secessionist rebels, they must be offered clemency to give them a chance to rejoin society's mainstream.

"General amnesty must be granted to those who fought the state, (particularly) those who want to take advantage of it," Nazareno said.

But he could not say what specific mechanisms and conditions such amnesty should contain, saying he was merely an "implementator" of laws and not one of the "policy makers."

President-elect Fidel V. Ramos, who takes over from President Aquino on June 30, had earlier told reporters he had formed a special team to study the implications of an amnesty.

"We have a study group that is working on it," he said.

The Philippines has been hobbled by the last major communist insurgency in Southeast Asia and hurt by a series of coup attempts by right wing army rebels who accused Mrs. Aquino of being weak and soft on communism.

Nazareno was referring to the executive-legislative committee that will be formed by Ramos, once he is in office, to draft the guidelines on his proposed peace process with extremist forces.

Rebels earlier said they would reject any suggestion that they lay down their arms before any negotiated settlement was reached.

Any amnesty will be designed to allow the Ramos government to start which a clean slate—ending both the 23-year-old leftist insurgency and the rightwing threat—and leave it free to concentrate on reviving an economy stunted by a series of natural disasters and a crippling power shortage. A settlement with the rebels will help reassure foreign investors, businessmen said.

On the same occasion, Armed Forces chief Gen. Lisandro Abadia admitted to reporters that some of his officers have been meeting with intermediaries of accused coup plotter Billy Bibit.

Asked whether the intermediaries he was referring to were former classmates of Bibit, Abadia replied, "This much I can say: Yes."

But he was noncommittal on reports Bibit had been given a safe conduct pass to enable him to reach his other companions in the military underground.

Bibit, who jumped bail on rebellion charges, was tagged by the military as one of the rightist rebel hardliners who had been responsible for bombings of government and private installations. He was also accused of actively recruiting soldiers from military camps to join the Rebolusyonaryong Alyansang Makabayan [Nationalist Revolutionary Alliance] (RAM).

Abadia once described him as a "great risk to (national) security," capable of sabotaging the government specically once he was able to rejoin RAM leader Gregorio Honasan.

Also yesterday, an intelligence source said police intelligence agents have recaptured fugitive coup leader Tiburcio Fusillero.

The source, who refused to be named, said Fusillero was now detained at the Camp Crame stockade.

Abadia himself confirmed Fusillero's arrest but could not provide details, saying it was basically a police operation and the AFP [Armed Forces of the Philippines] had nothing to do with it.

Rebels Reject Amnesty Offer

HK2506005492 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 24 Jun 92

[Text] The National Democratic Front [NDF] has rejected President-elect Fidel Ramos' amnesty offer for all communist rebels. The NDF said its leaders will no longer allow themselves to be fooled into abandoning their goals of national democracy and freedom. They claim that Ramos only won in the past election through fraud.

The NDF has also confirmed that it will step up its efforts to overthrow the Ramos government, even if Ramos is an adversary experienced in warfare.

NDF Denounces Ramos, Amnesty

HK2406130192 Hong Kong AFP in English 1242 GMT 24 June 92

[Text] Manila, June 24 (AFP)—Communist guerrillas said Wednesday they expected a stepped-up war against the Philippine government after Fidel Ramos is sworn in as president next week.

The outlawed National Democratic Front (NDF) denounced the former general, who won the May 11 presidential election, for his "insulting invitation for surrender and anmesty to the revolutionary forces."

"This lack of seriousness in seeking a just and peaceful resolution to the long-drawn civil war is a chilling portent of the militarist thinking that is sure to dominate the Ramos administration," it said in a written statement.

The NDF is the political wing of the banned Communist Party of the Philippines, whose New People's Army has been waging a guerrilla war for 23 years.

Bulacan Officials Warned of Assassination Plots

HK2406094292 Manila PHILIPPINE DAILY INQUIRER in English 24 Jun 92 p 25

[Text] Meycauayan, Bulacan—An alert has been raised about a newly organized group of communist assassins out to liquidate local officials considered unsympathetic to their cause.

The principal target of this group in their initial mission is Meycauayan mayor-elect Eddie Alarilla, "who is described by the rebels as very close to the military and very vocal in his anti-communist stand," Senior Inspector Richard Albano disclosed.

Albano, who is the deputy district director of the Bulacan Central Police District and concurrent chief of the Meycauayan PNP [Philippine National Police] station, told the INQUIRER on Saturday that they have been monitoring the presence of this NPA [New People's Army] "sparrow unit [assassination team]" since he took over as Meycauayan's police chief last March this year. The group's underground code name is "Bad Boys," Albano said.

The "Bad Boys" is a group of about nine or ten elite members of the NPA liquidation units picked from the Bulacan rebel command's front guerilla unit (FGU) in northeastern Bulacan and from the Fishermen Organizing Center (FOC) in the province's coastal areas.

Albano said the leader of the group is Edwin Petalvero, alias Ka [Comrade] Lando, who used to head the FOC rebel unit operating in Malolos, Hagony, and Paombong Towns.

Agents within the NPA ranks said the "Bad Boys" are heavily armed and protected by a "combat support group" based not only in this town but also in Baliwag, Bocaue, Marilao, and Malolos.

Their target is not only Alarilla but also other elected mayors. Among other officials in the list are mayor-elects Gerardito San Diego (Plaridel), Corling Trinidad (Baliwag), and Hagonoy Mayor Willie Alvarado.

Albano said police believe the rebels would like to replace the mayors in the towns where they are operating with officials who can be their probable supporters.

Sugar Production Hits Record Level

HK2506051992 Manila BUSINESS WORLD in English 25 Jun 92 p 1

[By Genevieve I. Soledad]

[Text] The country's actual sugar output for crop year 1991-1992 has already hit a record level of two million metric tons (MT) as of June 14, the Sugar Regulatory Administration (SRA) said yesterday.

The SRA said the yield is expected to eventually reach 2.1 million MT by end-August when the remaining six sugar mills would have finished their milling operations.

This amount far exceeds the SRA's earlier forecast of 1.95 million MT, an estimate which the SRA had already raised two months ago from the benchmark figure of 1.9 million MT due to signs of increasing production.

SRA Asst. Administrator Rogelio Covar claimed the present crop output is so far the highest production level ever posted by the industry since 1986.

The SRA official attributed the increase to the expansion of local sugar hectarage.

Mr. Covar cited that sugar producers have opened up some 30,000 hectares of land for this crop year alone.

The country's sugar production was also bolstered by increased yield which industry sources traced to the effects of the drought.

Instead of destroying sugar crops, the El Nino-related drought packed in denser volumes of sugar juice in each cane, sources said.

This year's bumper harvest has led even Agriculture Secretary Senen C. Bacani to express fears that sugar prices in the local market will likely plunge because of the surplus in supply.

The industry, however, has already taken steps to stave off a possible market glut.

Local sugar producers will be selling their excess produce to the world market this crop year.

Advance Swap

Although the industry has yet to allocate sugar stocks for the world market (D sugar classification) next crop year, producers will push ahead with their plans to export this year through what is known in the world markets as the "advance swap scheme."

Under this scheme, the industry will be selling its carry over stocks to the world market this crop year and later replace these with next crop year's D sugar allocation.

The industry will thus avoid the deterioration of sugar stocks from long storage.

Sugar producers claimed they are willing to settle for world market rates since these have already stabilized at about $0.11 per pound. The industry was earlier wary of exporting to countries other than the U.S. because of the low rates of $0.07 to $0.08 per pound in contrast to the production value of Philippine sugar which is currently pegged at P.014 [peso] per pound.

Industry sources speculate that some 15 to 17 percent of the country's total sugar production next crop year will be exported to the world market.

Both the SRA and the sugar industry have forecast another bumper harvest of 2.1 million MT for the next crop year.

Thailand

Probe Details Excessive Force in Crackdown

BK2506033992 Bangkok THE NATION in English 25 Jun 92 pp A1, A3

[Text] The House committee investigating the May 17-20 bloodshed said in a preliminary report that the military had applied excessive force to break up anti-Suchinda demonstrations, resulting in hundreds of protesters being killed or injured.

The committee report, to be submitted to the House of Representatives today, suggested that a bill be drawn up to abolish the Internal Peacekeeping Act B.E. 2519 (1976). The proposed legislation will be debated in a live broadcast of House proceedings this morning.

The proposed scrapping of the peacekeeping act would deprive military leaders of the absolute power to deal independently with emergencies considered a threat to national security.

"The House committee recommends that the House of Representatives scrap the Internal Peacekeeping Act as soon as possible and promulgate a law to empower the Cabinet to deal with all emergencies," the House committee said in the report.

Committee spokesman Wirakon Khamprakop said on Tuesday the move was intended to clearly delineate the limits of power and scope of responsibility for the armed forces in order to avoid bloodshed in the deployment of troops to quell civil unrest.

The Internal Peacekeeping Act gives the supreme commander the absolute power, independent of the government, to deploy troops to deal with emergencies deemed a threat to national security.

In the May crackdown, Supreme Commander ACM [Air Chief Marshal] Kaset Rotchananin, in his capacity as director of the National Peacekeeping Command, invoked the Internal Peacekeeping Act to take over the anti-riot operation from the Interior Ministry and to order a crackdown against the pro-democracy demonstrators.

The brutal crackdown was carried out by army chief Gen Itsaraphong Nunphakdi, director of the Capital Security Command.

The House committee said in the report that the "unwarranted violence" which troops applied to disperse demonstrators started on May 17 after anti-riot police squads were withdrawn.

The report, based on testimony given by pro-democracy protesters, eyewitnesses and security officials, said the motives of demonstrators participating in the street protest were:

—to denounce the attempt to perpetuate the power of the National Peacekeeping Council.

—to seek the ouster of then prime minister Suchinda Khraprayun because he had failed to keep his promise not to take the prime ministership, and because of widespread public mistrust of him for including in his Cabinet politicians accused of corruption.

—to seek constitutional amendments to require the prime minister to be an elected member of the House of Representatives.

—to show displeasure with the distortion of facts and manipulation by government-controlled television and radio networks.

The House committee also said in the report that Kaset, Itsaraphong and former interior minister Anan Kalintha, who had been summoned to testify, failed to attend in person but sent written testimonies.

The committee had set tomorrow as the deadline for the three to testify in person about their roles in the crackdown or it would conclude its findings and recommendations without their testimonies.

It has yet to assess the casualties and damage resulting from the bloodshed.

Lawyer Bandit Siriphan, a member of the House committee, said yesterday he had a photocopy of a confidential order dated May 7, allegedly issued by First Army Region Commander Lt Gen Chainarong Nunphakdi, putting on alert three army units in Bangkok in anticipation of a riot at Parliament.

Bandit said the order, made at a time when protesters had demonstrated peacefully, indicated the military leaders had plotted a bloody crackdown against pro-democracy protesters as early as May 7. The demonstration turned violent on May 17 when some protesters vandalized police cars and set fire to government buildings. However, pro-democracy protesters said agents provocateur had been planted in their midst.

—A senior army officer yesterday described the military's interference in civilian politics as merely "participation", which was required by the Constitution.

Army Deputy Secretary General Col Banchon Chawansin was defending the military against criticism by academics during a seminar at Chulalongkon University.

Banchon initially admitted the armed forces had interfered in politics for a long time. But he later backtracked to use the word "participation" to describe the interference.

Banchon said the participation in politics came not only from soldiers but also from other members of society in several forms, such as criticism by newspaper columnists and academics and demonstrations.

The colonel also blamed politicians for having provoked the military's intervention.

"If the politicians carry out their duty well enough, they don't have to worry about military interference," Banchon said.

But Banchon later virtually admitted that the military had to intervene in politics to protect their vested interest. He said if a politician was allowed to take up the post of defence minister, he would practise nepotism and put his men in key commanding posts.

House Report Due 25 Jun

BK2406141192 Bangkok Radio Thailand Network in Thai 1200 GMT 24 Jun 92

[Text] The House committee investigating the 17-20 May demonstrations will present its findings to parliament tomorrow. The committee, chaired by Thet Bunlong, was formerly assigned to complete the investigation in 45 days. However, it must present its results to parliament tomorrow because of fear that the House of Representatives will be dissolved before the 45-day deadline.

According to initial information, the motives and causes of the crisis were: People were dissatisfied with the perpetuation of dictatorial power. People were dissatisfied with the then non-elected prime minister. Most people also wanted the Constitution to be amended to require the prime minister be an elected member of parliament. In addition, the fact that the government censored news and held back information was another cause for the damage to the people.

Moreover, the people want the Internal Peacekeeping Act B.E. [Buddhist Era] 2519 [1976] to be abolished as soon as possible. The cabinet should have had the authority to deal with the recent unrest.

Official Pledges To Abide by Results

BK2506024192 Bangkok THE NATION in English 25 Jun 92 pp A1, A3

[Text] A senior army official yesterday was confident that soldiers would accept the consequences arising from the authorized inquiry into the May violence, even if it leads to the removal of the top generals.

Assistant Army Commander in Chief Gen San Siphen also voiced strong support for the Anan government's initiative to strengthen the police antiriot squad and bar soldiers from being involved in the quelling of demonstrations which have the potential for violence.

Echoing the views aired previously by Deputy Supreme Commander Gen Wimon Wongwanit, San said political conflicts such as the May demonstrations should be resolved through political means and not military operations, and that the military should no longer have any role in national politics.

San, a member of the Defence Ministry's fact-finding committee investigating the bloody crackdown on pro-democracy demonstrators, said no officer, not even the army commander in chief, can resist a dismissal order if this was the outcome of the inquiry into the May violence.

He was responding to a question during an interview at the Army Convention Hall on what the military's response would be if the inquiry resulted in an order to sack the powerful Army Commander in Chief Gen Itsaraphong Nunphakdi.

San said he did not believe the military would seize power if their top commanders were found responsible for the loss of lives and the damage to state property.

"No, I don't think so. Staging a coup is not easy. I think it can't be done," he said.

Itsaraphong was responsible for directing the operations to disperse anti-Suchinda protesters during May 17-20 in his capacity as director of the Capital Security Command.

He acted under the orders of Supreme Commander ACM [Air Chief Marshal] Kaset Rotchananin, who had ultimate authority under controversial legislation governing his position as director of the National Peacekeeping Command.

San, a Chulachomklao Military Academy classmate of Itsaraphong, said that he did not feel any pressure as a member of the committee investigating his superior.

"I am not worried. As I said, soldiers have discipline and will obey any (legal) order," he said.

The committee, chaired by Deputy Defence Permanent Secretary Gen Phichit Kullawanit, is scheduled to hold its first meeting tomorrow.

San said he would assure the public that the defence committee members would not defend the officers investigated.

"It's not always the case that soldiers will defend soldiers and try to cover up their wrongdoings. We (in the committee) cannot afford to do so and there is no need to do so. It's not true that soldiers will help soldiers all the time," he said.

He said he was confident that the committee would conduct its fact-finding on a professional basis, and make all the facts known to ensure fairness and justice to all concerned.

San said he was uncertain whether the committee was empowered to punish soldiers found guilty of wrong doing during the violent operations, but said he understood its powers were largely restricted to fact-finding.

The assistant army commander in chief, voicing support for the premier's initiative to set up strong police antiriot squads, said soldiers were brought into the capital to handle the May mass demonstrations because there was no anti-riot force at the Police Department.

With police antiriot squads, the military would stay away from such missions, he said.

Interior Permanent Secretary Anan Anantakun yesterday welcomed the premier's move, saying the Interior Ministry was ready to provide training and budgetary support for the plan.

He said that the present police antiriot squads were badly equipped and small.

They needed equipment and training in mass psychology, he added.

Prime Minister Anan Panyarachun, announcing instructions for Interior Minister Pol Gen Phao Sarasin to formulate a blueprint to beef up the antiriot squad, said that police troops would be ready to handle potential riots only if they had adequate protective equipment, not just the batons and helmets as was the case now.

He said he told Phao that the administration was ready to provide full budgetary support for the plan which would prevent a recurrence of violent clashes between soldiers and demonstrators.

In a related development, Phalang Tham MP Col Winai Somphong, who is secretary of the House panel conducting an inquiry into the May suppression, said the committee would formally submit its report to the House today.

In the report, he said, the committee recommended that the legislation to appoint the director of the National Peacekeeping Command and the director of the Capital Security Command should be scrapped.

But he said he was not sure MPs would be united in pushing through the proposal to abrogate the legislation in three straight readings today.

The prime minister has ordered Defence Minister Gen Banchop Bunnak to review the legislation and advise amendments to it.

New Aspiration Party leader Gen Chawalit Yongchaiyut, meanwhile, expressed support for amending the legislation which empowers the military to enforce law and order in critical situations, saying laws can be changed if they no longer suit prevailing conditions.

He said he believed the majority in the military establishment agreed to the move.

The legislation was promulgated shortly after the Oct 6, 1976 bloody suppression of pro-democracy students, which plunged the country into a dark period of dictatorial rule.

Anan Urges Peaceful Resistance to Coup Attempts

BK2506021592 Bangkok THE NATION in English 25 Jun 92 pp A1, A3

[Text] If political difficulties arise in the next few months, the people should oppose any forceful measures by passive resistance only, Prime Minister Anan Panyarachun said yesterday when asked about the possibility of another coup.

In the event of further military intervention at a time when Thailand is at a political crossroad, Anan advised against resistance by force. But people should resolve not to live under, or cooperate with, an autocratic regime, he said.

In an address at the Ambassador Hotel to mark the 12th anniversary of the Confederaiton of Thai Journalists, Anan sought to create a balance between how people should react to military intervention in politics and their attitude towards the military establishment at a time when the country has had little chance to recover from the shock of May 17-20.

He urged Thais not to harbour prejudice towards the military, saying it was an institution that needed to be protected. If any of its leaders were found guilty of misdeeds through normal legal processes, then they must be separated from the main body of that institution.

"We are not a kangaroo court," he stressed.

The prime minister also urged journalists to play their part in improving the quality of elected politicians in the upcoming general election. Journalists, he said, can uncover facts about candidates and parties and portray a fair picture to stir voters' interest and to help them make a sound judgement on who should be elected.

He told the confederation that members of the public must not use force or incite riots to protect democracy in the expected volatile political situation after the polls.

Anan said he was brought back into service for his country at a time when the political crisis was still simmering, and that there were worries of further political upsets after the general election, which is expected to be held in mid-September.

"But as I have always said, democracy is not sent down from the heavens. It has to be earned, loved and protected. This is a law of nature.

"If we don't protect it, we canot blame others," he said.

Anan said the people can protect democracy simply by promising themselves that they will never live under autocratic rule again, and that they will love and protect a government under the Constitutional Monarchy.

"If there are any deeds which run counter to our resolve, we will not cooperate. (For example) we may stop going to work and we can do many other things which would weaken the autocratic mechanism," he said.

"But don't harbour prejudice towards the military. The Armed Forces is an institution comprising hundreds of thousands of personnel, and it has to be protected like other institutions such as the bureaucracy and the mass media.

"We have to protect (the military's) prestige and honour. Any who are bad have to be distinguished from the rest. We are not a kangaroo court. We have to check out facts and seek a way out," he said.

Anan said that at this critical point, his government could not afford to resolve the nation's predicament, resulting from the military crackdown on pro-democracy demonstrators, only to cause another problem.

"Otherwise, it would lead to disaster," he emphasized. He did not clarify what kinds of disaster could occur.

Anan repeated his pledge to try his best to resolve the rift permeating the political scene through peaceful ways, on the basis of national interest, and in accordance with the findings on the May 17-20 violence.

He also promised that his government would seek to promote the right of the public to information on what is done by the government and to encourage them to exercise that right.

In this modern age, he said, people want to know facts, and the type of psychological warfare that was used effectively during World War I and World War II would be meaningless now as Thailand and its people are a part of the world of communications.

"Don't underestimate the people. No attempt should be made to cover up the facts," he warned.

Chamlong Says 700 Missing May Be Dead

BK2506060092 Hong Kong AFP in English 0537 GMT 28 Jun 92

[By Tim Cribb]

[Text] Canberra, June 25 (AFP)—The 700 people missing since last month's bloody military crackdown in Bangkok may already be dead, Thai opposition leader Major General Chamlong Simuang said here Thursday.

Chamlong said an investigation had been launched into the fate of the 700 people listed as missing after the Army opened fire on pro-democracy demonstrators in the capital.

"Most of them were killed, that is my guess, that is what we are trying to find out," Chamlong told a news conference.

Official reports put the death toll at 52, but Chamlong believes up to 100 people were killed in the streets and hundreds more wounded when the government of General Suchinda Khraprayun deployed Armed Forces to suppress the demonstrations.

Asked of reports that the Army had taken those listed as missing to military camps, where they were killed, Chamlong said he too had heard such stories.

"I don't have any information to confirm whether it is true or not but it is amazing... what about the 700 missing? Where did they go?"

(?Asked) whether a democratic government would seek an end to assistance to the Khmer Rouge in neighbouring Cambodia and a halt to the illegal traffic of gems [words indistinct] out of that country, Chamlong said: "I hope so, but we have to wait for the next government."

Chamlong, accompanied by his wife Major Sirilak Simuang, is in Australia on an 11-day visit as a guest of the government.

Foreign Minister Gareth Evans said that the invitation to visit "underlines the Australian government's strong support for democracy in Thailand."

A spokesman for Evans said the minister had told Chamlong in talks Wednesday that Australia was "distressed and appalled" at last month's violence in Thailand.

Chamlong told Evans he believed Australia's position in strongly supporting democracy in Thailand had helped bring about resolution, the spokesman said.

The Thai leader's visit takes in Canberra, Sydney, Alice Springs, Ayers Rock and Perth, during which time he will meet government and business leaders, and elders of the indigenous Aboriginal community.

In the March 1992 election, Chamlong's Phalang Tham party won 32 of the 35 seats in Bangkok and another seven elsewhere, making him the leading member of the opposition to the government of unelected Suchinda.

Chamlong provided a focal point for the pro-democracy campaign demanding the resignation of Suchinda by conducting a hunger strike outside the Thai parliament.

He was arrested May 18 and held for three days in isolation, emerging to the news that "many people were killed and wounded and missing."

Former governor of Bangkok from 1985 to 1992, Chamlong was a key player in resolving the political crisis under the auspices of the king of Thailand.

Suchinda resigned after agreeing to reform the Thai Constitution.

An objective of the pro-democracy forces in Thailand in the runup to fresh elections was restructuring the military to reduce its power over virtually every level of Thai society.

"We will try to do something about the structure of the Army so we can reduce the power... so that we won't have this situation again," Chamlong said. The government can control the Army if they are strong enough."

Investigation of Former Communications Head Noted

BK2406024392 Bangkok THE NATION in English 24 Jun 92 pp B1, B12

[Text] Transport and Communications Minister Nukun Prachuapmo will investigate two issues concerning alleged irregularities over the approval of a number of projects by the board of directors of the Communications Authority of Thailand (CAT) when former interior minister Anan Kalintha was the chairman.

Nukun said the Cabinet yesterday assigned him to find out why government officials did not inform ACM [Air Chief Marshal] Anan that the minister was not qualified to chair CAT board meetings, given that he held a political post which prohibits him by law from sitting on the board of a state enterprise.

Anan was chairman of the CAT board when he was deputy commander-in-chief of the Royal Thai Air Force in the Anan I administration. When he resigned from the military to join the Suchinda government as interior minister, Anan did not resign as CAT board chairman.

Nukun said the Cabinet asked him to find government officials who are responsible for failing to ban Anan from chairing the CAT board meeting, as they are the ones who should be aware of the regulations, rather than the minister himself.

"I am not sure whether ACM Anan knows the rules or not. Government officials, however, must know the regulations well but I don't understand why none of them told ACM Anan," Nukun said.

The minister said he will also look into whether there had been violations to an act allowing the private sector to invest in certain projects under CAT concessions during the time Anan chaired the CAT board.

Nukun said he personally viewed that all projects approved by the CAT board under Anan should be ruled invalid. However, Nukun said he will ask the Juridical Council to help decide on the issue and expected results to be known early next week.

Anan tendered his resignation as chairman of the CAT board and the board of directors of the Aeronautical Radio of Thailand (Aerothai) yesterday. The letters were dated June 14 but Nukun said Anan should be considered disqualified from the positions since April 17 when he was appointed interior minister.

The Cabinet yesterday appointed Chawalit Thanachanan, former governor of the Bank of Thailand, as CAT board chairman.

Nukun said Chawalit's appointment will benefit CAT operations, considering that he can use his expertise in finance to work for the state enterprise, which plans to invest jointly in several projects with foreign partners.

The Cabinet also appointed Srisuk Chandransu, director general of the Aviation Department as chairman of the board of the Aerothai. The first time a civilian has been put in the top post, held by the deputy commander-in-chief of the Royal Thai Air Force throughout its 44 years' history.

Instilling 'New Culture' in Military Urged

BK1906060392 Bangkok THE NATION in English 19 Jun 92 p A6

[Editorial: "Time To Focus on How To Deal With the Military"]

[Text] The euphoria over the surprise nomination of Anan Panyarachun to the premiership is wearing off a little, and people are realizing that though the future is much brighter now, the massive problems this country faces in the wake of the bloodshed of May 17-20 have by no means disappeared. The most important issue remains the impact of the May events on the armed forces, which by dint of brute strength still have the ultimate power to decide the future of this country.

There has been a great deal of optimistic talk about ending the armed forces' power to intervene in civilian politics for good, as well as reforming the internal structure of the military establishment itself. What is clear, however, is that there will be no withdrawal of the military to the barracks and no meaningful reform as long as the present top brass, widely blamed for last month's deaths, are still in power.

In the immediate aftermath of the May massacre, the first reaction of the democracy movement, much of the media and large sectors of the public was to call for the top brass concerned—Supreme Commander ACM [Air Chief Marshal] Kaset Rotchananin, Army Commander Gen Itsaraphong Nunphakdi and First Army Region Commander Lt Gen Chainarong Nunphakdi—to be removed from their positions and be put on trial along with former premier Gen Suchinda Khraprayun.

It seems now, however, that this may be unrealistic. No one is in a position to force the generals to do anything. Indeed, they cannot even be called to testify, as the House committee investigating the massacre has found out. Obviously a less confrontational method will be required.

Many people are hoping that the Anan administration will find a way out of the dilemma. Premier Anan himself has suggested that a solution must be found to the dangerous situation of having such discredited figures in charge of the armed forces. And Gen Banchop Bunnak has the right, as defence minister, to initiate proceedings to sack the disgraced top brass.

But any such move would be exceedingly dangerous right now. If done suddenly and without warning, an attempt to fire the three commanders would probably do nothing except trigger another coup. If Anan and Banchop are considering such action, they will have to make sure they have the tacit backing of the entire second echelon of the armed forces, which is unlikely.

A better scenario would be for the top generals to realize their untenable position, step down voluntarily, and perhaps leave the country or enter monkhood along with their friend Suchinda. There are a number of steps that can be taken to "help" the top brass along in making this decision.

First, the government should do all it can to work only with those officers directly in charge of operations rather than the top brass, and to cultivate respected officers who have a shot at positions of power, as a signal to the armed forces that the present chiefs are no longer considered relevant to day-to-day governance. Businesses must from this point on stop asking the top generals to serve on boards or inviting them to ceremonial openings of new factories or golf courses. And the public can help by declaring a social boycott against those most responsible for the massacre. This would mean no invitations to weddings, seminars, or other social functions, no publicity photos in the newspapers, reduced coverage in the civilian controlled electronic media, and especially no more "Big" appended to the generals' nicknames.

But the resignation of two or three military leaders is not going to mean much in the long run. There is an ever-present danger that those responsible for the nation's tragedy will step down and the military will make a tactical retreat, only to return in strength when the time is right—as happened in the bloody coup on Oct 6, 1976.

No, this country will only be healed when we have a professional military that knows its job—protecting Thailand from foreign aggressors and assisting the government in rural development—and does only that job. To this end, it is extremely urgent that academics and democracy activists start a dialogue with professional soldiers on how to redefine the role of the military in this society. Responsible, professional officers can be found, and they must be—the military cannot be left out of the equation, as no one is going to dictate to it.

This dialogue should not stop at a few seminars. It should be institutionalized, and include the participation of MPs, lawyers, police officers and other professionals. The eventual goal should be the creation of legislation that can be forwarded to Parliament.

The dialogue should also go beyond the much-talked about issue of reforming the curriculum at the Chulachomklao Royal Military Academy.

Though this problem is of vital importance (and could be eased by requiring one year of civilian university for all officers-to-be, or perhaps by scrapping the military preparatory school altogether), it is only one of many urgent matters on the agenda.

There is also a need to discuss ways of ensuring, through legal means, that the Defence Ministry becomes a working government organ; giving the government considerable control over reshuffles and military budgets. Foreign policy—particularly when it concerns neighbouring countries—must be conducted in the future only by bureaucrats, not by freewheeling generals. And ways must be found to end military control over certain state enterprises and the electronic media.

At the same time, there is a need for clear definition of sectors where the military does have a legitimate role—such as largescale development projects in the countryside and border areas. But most importantly, nothing less than a new culture needs to be instilled in professional soldiers in the armed forces. This could mean, among other things, making it a part of a soldier's creed never to fire upon unarmed people, even if ordered to by a superior. Additionally, there is a need for a constitutional amendment which would make coups d'etat a crime against the nation, religion and monarchy. Norhing less will bring us out of our constant, recurring vicious cycle.

Agencies Lower Economic Growth Estimates

BK1906100992 Bangkok BANGKOK POST in English 18 Jun 92 pp 15, 24

[Text] Two of Thailand's leading economic forecasting units yesterday announced cuts of 0.5% or more in their predictions for this year's growth and warned that further political conflict could lead to a worse decline.

Yesterday's announcements were the first systematic attempts to calculate the impact of last month's conflict on the economy. Although the two agencies' forecasts show some promising signs following the reappointment of Prime Minister Anan Panyarachun to break the political deadlock, both agencies believe much depends on whether an "acceptable" government emerges from the forthcoming elections.

But the Government's National Economic and Social Development Board [NESDB] and the independent Thailand Development Research Institute [TDRI] differed in their assessment of the loss of earnings from tourism and their emphasis on what the Government should do.

The planning agency, whose basic growth forecast is now 7.4%, called for government investment in infrastructure to boost the economy. NESDB Secretary-General Phisit Phakkasem expressed confidence that cooperation between the public and private sectors would revive tourism and investment.

The NESDB's assessment of the cost to the tourism sector was 10-20 billion baht.

TDRI's more pessimistic economists forecast growth of 6.5% and warned of a worsening trade deficit in goods and services and an increasingly serious foreign debt problem. Their emphasis was on the need for continued caution in monetary and fiscal policy in order to keep the economy on a sound footing and encourage investors' confidence.

They estimated the cost to tourism to be closer to 30 billion baht.

Dr Chalongphop Susangkonkan, TDRI's chief macroeconomist, described Thailand's economic climate as being dominated by risk. He said the Government should not take any action that would undermine economic stability and further weaken confidence.

His institute's president, Dr Amma Siamwalla, warned that investors' confidence would not return if conflict over the future of the top military commanders is not resolved.

The NESDB's 7.4% growth prediction is down from last year's estimated 7.7%.

This would be half a percentage point less than the government planning agency's original forecast of 7.9% growth this year in real gross domestic product, the total value of goods and services produced in the country taking inflation into account.

But if the new Government turns out to be unacceptable to the public and to investors in Thailand and abroad, the growth rate this year could dip to 6.7%, warned Mr Phisit.

"The NESDB had sent ad hoc teams to survey opinions of sectors covering manufacturing goods exports, tourism and aviation, real estate, construction, retail business, commercial banking, sources of funds, international grant aid, concessionaires of major infrastructural projects and then consulted with officials of the Fiscal Policy Office and the Bank of Thailand before making a forecast," Dr Phisit said.

He added that the forecast on the economy before May showed that the growth rate for this year would be 7.9%. That means Thailand's economic growth rate this year would be reduced by 0.5-1.2% by the effect of the May unrest.

He added, however, that the economic slowdown would also mean lower inflation because of a slowdown in private investment, imports and a drop in trade and current-account deficits.

Inflation this year is expected to be 4.5% in the positive case and 4% in the negative case, against 5.4% predicted before the May unrest. Private consumption would expand 6-6.5% this year, against 7% estimated earlier.

Mr Phisit pointed out that the country's economic fundamentals remain strong as a result of past good monetary and fiscal discipline, and economic restructuring involving both production and marketing.

"Our economy has a good stability both internally and externally. So if there is good cooperation between the private and public sectors in restoring the tourism and export industries, the economy should be able to sustain 7.4% growth rate," he said.

TDRI's more pessimistic forecast of 6.5% growth for this year assumes that there is no more conflict. It represents a 0.8% reduction in an earlier forecast of 7.3% which had already assumed some conflict after the March 22 general election.

Without a resolution to political conflict, growth would slow even further to 5.7% according to TDRI's estimates.

Dr Chalongphop warned against taking too bleak a view of the slowdown.

"Remember, we're talking about 6.5% growth," he told a press conference attended by an unusually large turnout of 30 or 40 reporters. "Eighty or 90 out of 100 countries would be delighted with 6.5%. So we're not talking about economic recession."

The decline predicted by TDRI is due largely to an estimated 29-billion baht fall in earnings from tourism. Even if investors' confidence revives, with only six months of this year left the results show up significantly in figures for 1992.

"Income from tourism is now expected to decline by 9.6% from last year (compared to an increase of 16.1% previously)," TDRI's Dr Chalongphop wrote in his report.

"The earnings from tourism are now expected at 100 billion baht, compared to the old estimate of 129 billion baht. The difference of 29 billion is substantial. This by itself implies that GDP growth will be lower than the previous forecast by about 0.5%."

As with the NESDB calculations, Dr Chalongphop's figures show a decline in inflation to 4.7%, largely because of weaker domestic demand.

But the predicted drop in foreign-exchange earnings from tourism will leave the country without its usual cover for its merchandise trade deficit. TDRI forecasts that the current account, the balance of trade in both goods and services, will sink into deeper deficit, reaching 8.5% of GDP this year and 8.7% next year.

This, together with rising foreign debt, estimated at 33.4% of GDP this year and 36% next year, is worrying TDRI's economists. When Thailand's foreign debt reached danger levels in the early 1980s, it amounted to about 40% of GDP, Dr Chalongphop said.

Unlike the NESDB, TDRI also provided forecasts for next year, assuming no more serious troubles and a reasonably acceptable government. GDP is forecast to accelerate to an 8.4% rate, largely driven by a recovery in the services sector that has suffered severe knocks from the decline in tourism.

Dr Chalongphop predicted that government investment would also increase next year as badly needed infrastructure projects get underway.

Asa Says KR Sanctions 'Likely To Fail'

BK2206132192 Bangkok TNA in English 0441 GMT 22 Jun 92

[Text] Bangkok, June 22 (OANA-TNA)—Thai Foreign Minister Asa Sarasin Sunday warned that sanctions against Khmer Rouge [KR] to make them comply with the U.N. peace plan, were likely to fail.

Asa was commenting on calls for Thailand to join a boycott against the Khmer Rouge, which has refused to take part in Phase II of the United Nations peace plan. The Phase II calls for Cambodian troops belong to all factions to report to U.N. camps and hand in their weapons. The Khmer Rouge has said it would not be disbanded until the U.N. could ascertain that the Vietnamese troops were not hiding in Cambodia.

The Khmer Rouge was reportedly engaged in serious fighting with Phnom Penh government's troops last week in northern Cambodia.

Asa admitted that the present situation in Cambodia was serious, but sanctions against any faction were not the answer.

Border Security Discussed With Lao Officials

BK2406083792 Bangkok Radio Thailand Network in Thai 0530 GMT 24 Jun 92

[Text] The joint border security committee of Thailand's Ubon Ratchathani Province and Laos' Champassak, Saravane, and Savannakhet Provinces held a meeting at the Regent Hotel in Ubon Ratchathani yesterday morning. Attending the meeting were Chatsa-nga Munichat, deputy governor of Ubon Ratchathani Province, deputy governors of Savannakhet, Saravane, and Champassak Provinces, and a number of Thai and Lao officials. The meeting discussed solutions to border trade problems and the promotion of cultural cooperation between the two countries. Speaking to reporters after the meeting, Chatsa-nga Monichat said:

[Begin Chatsa-nga recording] As for the objective of this meeting, the delegations from the three Lao provinces, which share a common border with Ubon Ratchathani, are invited here today for mutual consultations on two major issues namely the maintenance of peace and order along the common border and the promotion of cooperation in the fields of arts, culture, and tourism. [end recording]

SRV Foreign Minister To Visit To Improve Ties

BK2506020592 Bangkok THE NATION in English 25 Jun 92 p A3

[Text] Thailand will soon extend an invitation to Vietnam's Foreign Minister Nguyen Mahn Cam for a visit here in an attempt to resume constructive relationships between the two countries, Foreign Ministry spokesman Sakthip Krairoek said yesterday.

Sakthip said Vietnam has expressed its readiness to renegotiate bilateral relations with Thailand, including the pending fisheries agreement.

He said that Thai Foreign Minister Asa Sarasin had met Vietnamese Deputy Foreign Minister Vu Kohan when he participated in an international conference on the reconstruction of Cambodia in Tokyo.

Vu Khoan, according to Sakthip, informed Asa that Vietnam would welcome discussions with Thailand on several matters to boost bilateral links. These would include the upcoming discussions on the delineation of the territorial waters of the two countries, leading to the end of the longstanding fisheries conflict between the two nations, said the spokesman.

Sakthip said Asa will invite his Vietnamese counterpart to Thailand to discuss various topics, but the exact date for the talks will be considered later.

Three Products Dropped From U.S. GSP List

BK2406124392 Bangkok TNA in English 0955 GMT 24 Jun 92

[Text] Bangkok, June 24 (ECOANA-TNA)—The United States has removed three Thai export items from the Generalised System of Preferences (GSP) this year, because the exports to the US rose beyond the maximum value permitted last year.

An informed source in the Foreign Trade Department said that the US trade representative announced recently it had excluded the cordless telephone sets, ungraded precious stones other than diamonds and semi-precious stones, and other articles of natural rubber, from the GSP list.

From now on, the three items exported to the US will be subject to the full rates of US customs tariffs, without GSP priviledges, said the source.

The value of telephone units exported last year amounted to US$105 million, exceeding the limit set by the US of US $97.21 million. The export value of the other two categories accounted for more than half the market share.

Vietnam

U.S. Paper Cited on PRC-U.S. Oil Accord

OW2406155392 Hanoi Voice of Vietnam in Mandarin 0830 GMT 24 Jun 92

[From the "News" program]

[Text] The U.S. NEW YORK TIMES on 18 June published a dispatch by its correspondent Kristof from Beijing about a contract signed between China and a U.S. company to jointly conduct oil exploration work in the Truong Sa [Spratly] Islands region.

Describing the contract as a war-mongering [hao zhan] act, the acticle says: The contract aims to control the disputed territorial waters in the East Sea [dong hai]. This is the first time in many years that a single country has intended to unilaterally explore the resources in the waters of the southern East Sea, whose territorial sovereignty has been claimed by many other countries. Moreover, the Chinese side has promised to mobilize its naval forces to back up the exploration and extraction of petroleum in this region. The above-mentioned action by the Chinese side will lead to tension in the region.

The acticle says: Currently, many countries are disturbed by Beijing's attempt to use force to realize its aim.

Article on Sovereignty of Spratlys Archipelago

BK2506050492 Hanoi Voice of Vietnam Network in Vietnamese 2330 GMT 22 Jun 92

[Article by lawyer Luu Van Loi carried in 22 June QUAN DOI NHAN DAN: "The Area of Van An Bac 21 Is the Continental Shelf of Vietnam"]

[Text] On 8 May 1992, Executive Deputy Director (Huang Chiang) of the National Offshore Oil Company of China and Director Randall Thompson of the U.S. Crestone Energy Corporation signed in Beijing an agreement on oil exploration in the Van An Bac 21 area, which has a total area of 25,000 square km.

The Chinese side clearly stated that this area is totally within the Nansha archipelago and in the surrounding oceanic areas of the archipelago. The Chinese once more affirmed that the Nansha archipelago is Chinese territory.

According to the coordinates provided by the Chinese, the so-called Van An Bac 21 area is also a part of the continental shelf of the Socialist Republic of Vietnam. The Spratlys archipelago that the Chinese call Nansha has actually been possessed and peacefully and continuously administered by the Vietnamese Government for hundreds of years. According to the standards of international laws, those islands as well as the Paracels archipelago come under the sovereignty of Vietnam. There is no evidence that Nansha and Xinsha are part of Chinese territory.

But the purpose of this article is not to discuss the sovereignty of the Nansha and Xinsha archipelagoes. The matter that needs to be examined concerns the position and ownership of the area that China calls Van An Bac 21.

In its 12 May 1977 statement, the SRV Government regulated in Article Four that the continental shelf of the SRV consists of the seabeds and the area under the seabeds of the natural extension of the Vietnamese land to the oceanic area as far as the outer edge of the continental shelf. Where the width between the outer edge of the continental shelf and the basic line—the line used to calculate the width of Vietnam's land—is less than 200 nautical miles, the continental shelf in that area will be extended to 200 nautical miles from the basic line. The Socialist Republic of Vietnam has the complete right of exploration, exploitation, protection, and management of all natural resources in its continental shelf, including mineral resources, nonbiological resources, and biological resources which have settled in the Vietnamese continental shelf.

The aforementioned stipulation of the SRV Government is completely in conformity with the stipulations on the continental shelf of the UN Charter on the Laws of the Seas signed in Montego Bay on 10 December 1982. The Charter confirms that maritime countries have sovereign rights over the exploration and exploitation of natural resources in their continental shelf. That means that if a maritime country does not explore or exploit its natural resources in its continental shelf, nobody else can do that without a definite agreement from the country as mentioned in Paragraph 2 of Article 77. And the rights of a maritime country do not depend on actual possession or possession by claim or declaration, as specified in Paragraph 3 of Article 77.

History clearly proves, and the international laws further clarify, that the so-called Van An Bac 21 area is within Vietnam's continental shelf. It is only 84 nautical miles or 160 km at its closest distance from the Vietnam's basic line. It comes under Vietnamese sovereignty whether it is possessed or not and whether it is explored and exploited or not. In reality, Vietnam has built economic, scientific, and service establishments in the area and it officially declared its right of sovereignty on 14 August 1989 and on 16 August 1989.

This is definitely a clear violation of Vietnam's continental shelf, a serious violation of international maritime laws. Such action can not avoid the indignation of the Vietnamese people and the concern of peoples living around the South China Sea.

The SRV Ministry of Foreign Relations protested over the violation and requested China to stop exploration and exploitation operations on a part of Vietnam's continental shelf under the auspices of the U.S. Crestone Energy Corporation. The Vietnamese Government is determinedly protective of its maritime and continental areas; at the same time, it is making efforts to establish an atmosphere of trust and cooperation with China and Southeast Asian countries on the basis of respect for mutual independence, sovereignty, and national integrity for the sake of a Southeast Asia of peace, cooperation, and development. That is the current irreversible trend in the region and in the world.

Oil, Gas Agreement Signed With Japan

BK2406154592 Hanoi VNA in English 1532 GMT 24 Jun 92

[Text] Hanoi VNA June 24—A product-sharing contract on exploration and exploitation of oil and gas at lot 102/91 in the Tonkin Gulf was signed here this afternoon between Vietnam's Petroleum Corporation and Japan's Idemitsu Oil Development Company.

Signatories were Mr. Ho Si Thoang director general of Petrovietnam and Mr. Akira Idemitsu, president of the Idemitsu Oil Development Company.

This was the second contract signed between Petrovietnam and a Japanese oil company.

According to the contract, the Idemitsu company ensures all the investment and takes all the risk involved. If petroleum is found, it will be devided according to agreed ratio.

Among those present at the signing ceremony were Mr. Tran Xuan Gia, cabinet minister and director of the Office of the Council of Minsters, and Mr. Hiroyuki Yusita, Japanese ambassador to Vietnam.

Deputy Foreign Minister Meets With Sihanouk

BK2406155592 Hanoi VNA in English 1541 GMT 24 Jun 92

[Text] Hanoi VNA June 24—Samdech Norodom Sihanouk, head of state, president of the Supreme National Council of Cambodia on June 23 received Deputy Foreign Minister Vu Khoan, head of the Vietnamese delegation to the International Conference on Reconstruction of Cambodia, currently held in Tokyo.

At the meeting, Deputy Minister Vu Khoan conveyed greetings from President Vo Chi Cong and other Vietnamese leaders Samdech Sihanouk on the first anniversary of the declaration of overall ceasefire in Cambodia (June 24).

On this occasion, the Vietnamese leaders expressed their belief that under the leadership of Samdech Norodom Sihanouk, the reconciliation and national concord in Cambodia will be realised, that the Cambodian people will build a Cambodia of peace, independence, neutrality, nonalignment and prosperity and that the traditional friendship and solidarity between Vietnam and Cambodia will constantly be consolidated and developed.

Samdech Sihanouk highly appreciated Vietnam's constructive contributions to the peace process of the Cambodian people, and warmly welcomed its paticipation in the conference of Cambodian reconstruction. The Cambodian head of state reaffirmed that Vietnam had extended valuable assistance to the Cambodian people in reconstruction, and that he had seen it with his own eyes.

Once again Samdech Sihanouk reaffirmed the desire of the Cambodian people and himself to consistently strengthen their traditional neighbourliness and friendship with Vietnam.

List of Assembly Election Candidates

BK2406091592 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 23 Jun 92

[List of candidates standing for the election of Ninth National Assembly deputies in Hanoi and Ho Chi Minh City]

[Text] Dear friends: According to an announcement of the Council for the Election of Deputies to the Ninth National Assembly, the total number of candidates standing for the election of deputies to the Ninth National Assembly in the entire nation is 601. You are invited to listen to the list of candidates standing for the election of the Ninth National Assembly deputies in each electoral unit throughout the country as follows:

Hanoi Municipality

Ba Dinh District forms the first electoral unit and will elect two deputies from the following candidates:

1. Chu Duy Kinh, lieutenant general, head of the Hanoi Capital Military Command;
2. Do Muoi, general secretary of the Communist Party of Vietnam Central Committee and deputy to the Eighth National Assembly; and
3. Nguyen Dac Nghia, medical doctor, head of the Orthopedics Department of Saint Paul Hospital;

Hoan Kiem District forms the second electoral unit and will elect two deputies from the following candidates:

1. Nguyen Ngoc Loan of the College of Pedagogy, deputy principal of Thang Long Basic Level General School;
2. Pham Loi, mechanical engineer, chairman of the Hanoi City People's Council, and deputy to the Eighth National Assembly; and
3. Vu Quan Phuong of the Medical College, president of the Hanoi City Literature and Arts Association.

Dong Da District forms the third electoral unit and will elect three deputies from the following candidates:

1. Cao Minh Chau of the College of Economics, deputy director of the 10 October Textile Enterprise;
2. Nguyen Duy Giam, director of the Thai Ha Chemical Cooperative;
3. Le Duy Kien, director of the Dien Bien Industrial Cooperative;
4. Le Xuan Tung of the Hanoi Polytechnic College, professor, deputy secretary of the Hanoi City Party Committee Standing Body; and
5. Kim Cuong Tu, bonze superior, deputy chairman of the Standing Body of the Central Executive Council of the Vietnam Buddhist Church, and deputy to the Eighth National Assembly.

Hai Ba Trung District forms the fourth electoral unit and will elect three deputies from the following candidates:

1. Tran Dinh Trung of the National College of Economics, director of the Mechanical Tools Export Plant;
2. Tran Thi Tam Dan, holder of an M.Sc. in chemistry, associate professor, deputy chairwoman of the Hanoi City People's Committee, and deputy to the Eighth National Assembly;
3. Le Quang Dao, chairman of the Eighth National Assembly;
4. Vu Huy, electrical engineer, director of the Hanoi-based Thong Nhat Electro-Mechanical Plant; and
5. Tran Thi Nghia of the College of Law, deputy chief prosecutor of the Civilian Tribunal of the Hanoi City People's Court.

Tu Liem District forms the fifth electoral unit and will elect two deputies from the following candidates:

1. Tran Thi Thanh Binh of the College of Commerce, deputy director of the Hanoi Union of Restaurant Business and Food Catering Corporations;
2. Vu Dinh Cu, holder of a Ph.D. in science, professor, dean of the National Institute of Technology, and deputy to the Eighth National Assembly; and
3. Vu Duc Hien, holder of an M.A. in law, president of the Hanoi City Jurists' Association and chief procurator of the Hanoi City People's Organ of Control.

Gia Lam District forms the sixth electoral unit and will elect three deputies from the following candidates:

1. Pham Thi Kim Thao, holder of a Ph.D. in science, professor, and head of the Biochemistry Department of the Hanoi Polytechnic College;
2. Hoang Viet Dung, electrical engineer, director of the Anh Sao Electronics Corporation;
3. Nguyen Hong Hai, agricultural engineer, director of the Duong Sang Cooperative in Gia Lam District;
4. Vu Hoan, holder of an M.Sc. in science, deputy director of the Hanoi City Science and Technology Commission; and
5. Luong Xuan Ky, holder of a Ph.D. in science, professor, deputy dean of the National College of Economics.

The districts of Dong Anh and Soc Son form the seventh electoral unit and will elect three deputies from the following candidates:

1. Nguyen Thanh Binh, director of the Hoa Binh Fine Arts Products Corporation;
2. Dinh Hanh, holder of an M.A. in economics, deputy chairman of the Hanoi City People's Committee Standing Body;
3. Pham Van Khoi, chairman of the Hoan Kiem District Fatherland Front Committee;
4. Pham Van Ngoc of the National College of Economics, deputy chairman of the Hanoi City Fatherland Front Committee; and
5. Chu Thuy Quynh of the College of Culture and Arts, people's artist, director of the Vietnam Dance and Song Theater, and deputy to the Eighth National Assembly.

Thanh Tri District forms the eighth electoral unit and will elect two deputies from the following candidates:

1. Ton That Bach, holder of an M.Sc. in medicine, associate professor, and a teaching cadre at the Hanoi College of Medicine;
2. Nguyen Van Cu, director of the Yen Vien Agricultural Cooperative at Yen So Village in Thanh Tri District; and
3. Nguyen Van Lam of the College of Agriculture, head of the Hanoi City Vegetation Protection Deparment.

Ho Chi Minh City

The First and Third Precincts form the first electoral unit and will elect three deputies from the following candidates:

1. Thich Minh Chau, bonze superior, holder of a Ph.D. in buddhology, vice chairman and concurrently secretary general of the Standing Body of the Central Executive Council of the Vietnam Buddhist Church, and deputy to the Eighth National Assembly;
2. Truong Truong Chinh, director of the Union of Ship-Building Enterprises of the Communications and Public Works Service;
3. Pham Quang Du, holder of a Ph.D. in chemistry, professor, and head of the Ho Chi Minh City-based branch organization of the Institute of Petrochemical Oil Refinery;
4. Mach Duong, holder of an M.A. in history, associate professor, dean of the Ho Chi Minh City Institute of Social Science; and
5. Nguyen Van Thanh alias Tam Dan, chairman of the Ho Chi Minh City Fatherland Front Committee.

The Fourth and Eighth Precints and the district of Nha Be form the second electoral unit and will elect three deputies from the following candidates:

1. Le Minh Chau alias Ba Chau of the College of Economics, director of the Ho Chi Minh City Commerce Service;
2. Hoang Thi Khanh of the College of Economics and Planning, chairwoman of the Ho Chi Minh City Trade-Union Federation;
3. Tran Duy Lich, holder of an M.A. in economics and a B.A. in law, member of the Ho Chi Minh City Lawyers' Association Executive Committee and member of the Ho Chi Minh City Board of Attorneys;
4. Nguyen Hieu Liem of the College of Economics, director of the Phuoc Long Animal Husbandry Enterprise under the Ho Chi Minh City Agricultural Service and deputy to the Eighth National Assembly; and
5. Vu Tuat Viet of the College of Literature, editor in chief of SAIGON GIAI PHONG.

The Sixth Precinct and the districts of Binh Chanh and Can Gio form the third electoral unit and will elect three deputies from the following candidates:

1. Do Hoang Hai alias Tam Khoa of the College of Economics, director of the Ho Chi Minh City Foreign Trade and Urban Development Corporation;
2. Nguyen Thi Nu, chairwoman of the Ho Chi Minh City Technocrats and Industrialists' Association and director of the Duc Tan Ceramic Tiles Stock Enterprise;
3. Pham Su, holder of a M.S. in hydroelectric technology, professor, and head of the Industrial Management Department of the Ho Chi Minh City Polytechnic College; and
4. Truong Tan Sang alias Tu Sang of the College of Pedagogy, deputy secretary of the Ho Chi Minh City Party Committee Standing Body.

The Fifth and Tenth Precincts form the fourth electoral unit and will elect three deputies from the following candidates:

1. Vo Van Kiet alias Sau Dan, member of the party Central Committee Political Bureau, chairman of the Council of Ministers, and deputy to the Eighth National Assembly;
2. Ly Kim Mai of the Hoa ethnic group, chairwoman of the Fifth Precinct Women Association;
3. Chu Pham Ngoc Son, holder of a Ph.D. in chemistry, professor, president of the Ho Chi Minh City Scientists and Specialists' Association, and deputy to the Eighth National Assembly; and
4. Mrs. Ngo Ba Thanh alias Pham Thi Thanh Van, holder of a Ph.D. in law and chairwoman of the Eighth National Assembly Judiciary Committee.

The 11th Precinct and the district of Tan Binh form the fifth electoral unit and will elect three deputies from the following candidates:

1. Ho Chi Cong, chemical engineer, director of the TICO Detergent Enterprise under the Ho Chi Minh City Industrial Service;
2. Truong My Hoa alias Bay Thu of the College of Literature, secretary of the party Central Committee and chairwoman of the Vietnam Women's Union;
3. Dinh Cong Hung of the Ho Chi Minh City Polytechnic College, director of the Thanh Cong Textile Corporation under the City Light Industrial Service;
4. Nguyen Hoang Lan of the Ho Chi Minh City Polytechnic College, deputy secretary of the Ho Chi Minh City Communist Youth Union Chapter; and
5. Phan Khac Tu, Catholic priest, of the College of Literature, vice chairman and concurrently secretary general of the Vietnam Catholic Solidarity Committee, and deputy to the Eighth National Assembly.

The districts of Binh Thanh and Phu Nhuan form the sixth electoral unit and will elect three deputies from the following candidates:

1. Anh Duc of the College of Literature, writer and member of the Ho Chi Minh City Literature and Arts Association;
2. Doan Lien Huong of the College of Economics and Planning, chairwoman of the Ho Chi Minh City Women Association;
3. Nguyen Huu Khuong, colonel, director of the Ho Chi Minh City Public Security Service;
4. Tran Hai Cong alias Tran Luong, major general and member of the Ho Chi Minh City War Veterans Association Executive Committee; and
5. Nguyen Minh Thanh of the College of Economics, deputy director of the Ho Chi Minh City Education and Vocational Training Service.

The districts of Go Vap and Thu Duc form the seventh electoral unit and will elect three deputies from the following candidates:

1. Le Khac Binh, chairman of the Ho Chi Minh City People's Council;
2. Nguyen Tan Phat, holder of a M.A. in linguistics, associate professor, and dean of the Ho Chi Minh City College of Pedagogy;
3. Nguyen Thi Ngoc Phuong, medical doctor, director of the Ho Chi Minh City Gyneco-Obstetric Hospital, and vice chairwoman of the Eighth National Assembly; and
4. Nguyen Ai Quoc, architect, deputy secretary general of the Ho Chi Minh City Architects' Association Standing Body, and deputy to the Eighth National Assembly.

The districts of Cu Chi and Hoc Mon form the eighth electoral unit and will elect three deputies from the following candidates:

1. Phan Van Khai alias Sau Khai, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers Standing Body, and deputy to the Eighth National Assembly;
2. Huynh Thanh Lap of the College of Economics, vice chairman of the Ho Chi Minh City Peasants' Association;
3. Huynh Thi Nhan of the College of Economics and Planning, chairwoman of the Hoc Mon District People's Committee; and
4. Nguyen Van Rang, major general, head of the Ho Chi Minh City Military Command, and deputy to the Eighth National Assembly.

Nong Duc Manh Attends Ethnic Conference

BK2206093192 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 20 Jun 92

[Text] In early June 1992, a national conference on ethnic issues was held in Ho Chi Minh City with the participation of many ethnic delegates from south Vietnam. The conference was chaired by Comrade Nong Duc Manh, member of the party Central Committee Political Bureau and director of the Nationalities Department.

At the conference, reports on the ethnic group situation, an assessment of ethnic issues, the implementation of ethnic policies outlined by the seventh national party congress, and preparation plans for the coming fifth national ethnic congress were presented.

The delegates looked into different aspects of the ethnic issues and results of the implementation of policies on nationalities. They enthusiastically discussed the production situation and living conditions of the ethnic minority people as well as problems in the mountainous areas, contributing many useful ideas to the planning work of the party Nationalities Department.

National Rice Cultivation, Crop Yields Reported

BK2106132292 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 20 Jun 92

[Text] According to the Ministry of Agriculture and Food Industry, as of 15 June the provinces in North Vietnam had harvested more than 856,800 hectares of the fifth month and spring rice crop, or more than 78 percent of the crop. Generally, most of the crop yields show fair productivity, with an average of 30 to 33 kilograms of paddy per hectare.

Initial reports from the provinces say this year's rice production is the highest in recent years and may reach 3.5 to 3.6 million tonnes of paddy.

As of 15 June the provinces in South Vietnam had planted more than 1.128 million hectares of summer-fall rice, nearly 91 percent of the plan target, of which the Mekong River Delta provinces had planted more than 942,900 hectares.

Bumper Crop Throughout Country

BK2306090192 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 22 Jun 92

[Text] To date, the northern provinces have almost finished the harvest of fifth-month spring rice. Despite difficulties due to weather conditions and insects and diseases, this is the best harvest of fifth-month spring rice in recent years.

According to the Ministry of Agriculture and Food Industry, the yield of fifth-month spring rice in the northern provinces reached 7.32 metric tons per hectare and its output reached 3.5 million metric tons.

Except for some provinces such as Quang Nam-Danang, Quang Ngai, and Binh Dinh, which have faced a crop failure, all the other southern provinces have reaped a bumper fifth-month spring rice crop, with an output of 5.5 million metric tons.

This shows that all localities throughout the country have obtained total output of 9 million metric tons of paddy from this year's fifth-month spring crop season—one of the best crop seasons in recent years.

Northern Provinces Also Good

BK2306074392 Hanoi VNA in English 0632 GMT 23 Jun 92

[Text] Hanoi VNA June 23—According to the Ministry of Agriculture and Food Industry, by mid-June, farmers in the northern provinces had harvested 856,810 hectares of the spring-summer rice, accounting for mere than 78 percent of the acreage under this crop.

The harvest was completed in the former 4th zone, Haiphong City and Hai Hung province, with an average yield of from 3 to 3.3 tonnes per hectare. The highest yield was recorded in Thai Binh province with between 4.5 and 4.6 tonnes.

In this spring-summer rice crop, farmers in the north in general expect to achieve a total output of 3.5 to 3.6 million tonnes of paddy cice, the highest figure in recent years.

Also by mid-June, the southern provinces had sown and planted more than 1,128,000 hectares of the summer-autumm rice crop, reaching nearly 91 percent of the plan.

The Mekong River delta provinces alone had sown and planted 942,910 hectares, or 91.1 percent of the plan.

New Zealand

Foreign Minister Urges Revival of Military Pacts

BK2406114092 Hong Kong AFP in English 0710 GMT 24 Jun 92

[By Michael Field]

[Text] Wellington, June 24 (AFP)—New Zealand should revive its security alliances in the face of a military buildup in Southeast Asia along with Korean, Japanese and Russian problems, Foreign Minister Don McKinnon said Wednesday.

New Zealand could not survive with "limited and uncertain alliance arrangements," McKinnon told a military studies conference on developments in Asia and their implications. Collective security arrangements were imperative, he said.

New Zealand's main alliance, the ANZUS (Australia, New Zealand, U.S.) Treaty, effectively broke down in 1985 when the previous government passed legislation banning nuclear weapons from the country.

The law has also had an impact on other alliances, and since McKinnon became foreign minister in 1990 he has consistently argued that New Zealand must rebuild the bridges with its allies.

McKinnon, who is also acting prime minister in the absence of Jim Bolger abroad, said Southeast Asia had seen a steady build-up of military capabilities.

While much of it reflected legitimate modernisation and improving self-reliance, "nearby onlookers cannot help but be uneasy at what seem to be significant levels of military expenditure."

McKinnon said that while the north Asian economies of Japan, China, Korea and eastern Russia were becoming more interdependent, the process was far from complete and New Zealand could not afford to be complacent about the security outlook there.

The stormy passage of the peacekeeping bill which allows Tokyo to send soldiers abroad on United Nations duty demonstrated that Japan "has yet to find an internal political consensus" that would allow it to take a leadership role without implying a return to militarist policies, he said.

"Many of Japan's neighbours will also take some reassuring as to its intentions," McKinnon added.

North Korea with a standing army of a million men cast a shadow, with "the traditionally isolated and paranoid regime in Pyongyang" allegedly developing a nuclear capability. New Zealand viewed this with grave concern and did not want to see any normalisation of relations with North Korea until Pyongyang complied with International Atomic Energy Agency obligations.

McKinnon said the old Soviet Pacific Fleet was rusting at anchor in Vladivostok but Russia was by no means out of the regional security picture.

McKinnon said "Burma remains a blemish" because of its internal repression. He said he had told Burma's ambassador, U Saw Tun, that there were "no excuses" for a slow up in move towards democratisation.

"We may have the world's largest moat, but we are global traders," McKinnon said. "And global traders, even large ones, find it necessary to protect their common interests collectively."

Despite political changes, the United States was not going to suddenly pull out of Asia, he said, and it would continue to play a vital security role in the region.

While New Zealand took part in the political dialogue of the Asia-Pacific region, it must "participate in the military security concerns of the region." The first law of diplomacy, he said, was that the benefits of cooperation do not go to those who are unwilling to carry their share of the responsibility.

New Zealand must participate on all fronts, McKinnon said.

"National impediments to free-flowing security alliances, whether they are economic or military security alliances, are of little value to anyone."

He said economic and military security were "different faces on the same dice."

Papua New Guinea

Australian-Supplied Helicopters Used as Gunships

BK2206065892 Melbourne Radio Australia in English 0500 GMT 22 Jun 92

[Text] Australian officials in Port Moresby are seeking information from the Papua New Guinea [PNG] Defense Force about a report that Australian-supplied helicopters are again being used as gunships. Radio Australia's Port Moresby correspondent Brian Abbott has reported seeing a heavy caliber machine gun being fitted to one of the helicopters at Buka island, headquarters for military operations in Bougainville.

When Australia gave PNG four Iroquois helicopters it said it was on condition they were to be used for transport, surveillance, and medical evacuation, not as gunships. In 1990, Port Moresby withdrew the helicopters from Bougainville after protests by Australia about their use as gunships. The national government in PNG has been involved in a protracted struggle with secessionists on Bougainville island.

Minister: Gun Mountings 'Temporary'

BK2306070492 Melbourne Radio Australia in English 0500 GMT 23 Jun 92

[Excerpt] Papua New Guinea's [PNG] Defense Minister Benais Sabumei has confirmed that PNG's troops fit machine guns to Australian-supplied Iroquois helicopters. However, Mr. Sabumei says because the mountings were temporary the helicopters cannot be described as gunships. The defense minister also admits that the helicopters may fire on rebel positions but only because members of the Bougainville Revolutionary Army might attack the helicopters.

Port Moresby correspondent Brian Abbott says Mr. Sabumei believes that the operation of the helicopters is not in breach of the conditions under which they were supplied by Australia. [passage omitted]